

# BULLETIN

OF THE

## NATIONAL ASSOCIATION OF CREDIT MEN.

PUBLISHED MONTHLY BY

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Every successful business house makes its success firmer by being an educative force. The National Association of Credit Men recognizes this great truth and is endeavoring to induce its members to join in a campaign of education in fire insurance and fire prevention which it has mapped out. Write the National office at once for particulars.

### New Members Reported During September.

#### Baltimore, Md.

Chaundron & Company—John Chaundron.  
Dockman, John H., & Son—M. V. Hoffman.  
East India Mfg. Co., The—E. W. Cruikshank.  
Patapsco Oil & Grease Co.—John Ryan, Jr.  
Shafer, Jacob C. Co.  
White & Company—A. W. Mears.

#### Boston, Mass.

Beacon Trust Co.—D. B. Kerr.  
Emmons Bros. Co.—Harry T. Emmons.

#### Chicago, Ill.

Allen, W. D., Mfg. Co.—E. H. Pease.  
American Express Co.—H. K. Brooks.  
American Screw Co.—H. E. Mundt.  
American Varnish Co.—C. Patitz, Secy.  
Armour & Company—M. S. Green.  
Arnold Bros.  
Bullard & Gormely Co.—J. W. Torrance.  
Chicago Telephone Co.—Geo. Duffy.  
Clague-Painter-Jones Co.—A. J. Dooley.  
Corcoran, Arthur—Care of Peninsular Stove Co.  
Donnell Safe Co.—Jas. W. Donnell.  
Goshen Shirt Mfg. Co.—M. A. Goldberg.  
Grand Rapids Co., The—W. H. Kuebler.  
Gutwillig, E., & Co.—Emil Gutwillig.  
Hyman, Berg & Co.—G. S. Bushnell.  
Kimball, W. W., Co.—E. B. Bartlett.  
Ludowici-Geladon Co.—G. M. Fowler.  
Lyons, Samuel, & Co.—M. S. Friedmann.  
Marshall-Jackson Co.—Dwight Jackson, Treasurer.  
Olney & Jerman Co.—C. R. Dickerson.  
Sexton & Co.—John D. E. Upton.  
Sinsheimer, Bach & Co.—B. Sinsheimer.  
Tribune Co., The—Jackson Miller.  
Webster Mfg. Co.—T. K. Webster.  
Winslow Bros. Co., The—E. S. Fecheimer.

#### Chippewa Falls, Wis.

Chippewa Hosiery Co.—Frank Joas.  
Chippewa Shoe Mfg. Co.—J. B. Piotrowski.  
Hand Made Shoe Co.—H. J. Beynelson.  
Mason Shoe Mfg. Co.—B. A. Mason, Manager.

#### Denver, Colo.

Colorado Mach. & Supp. Co., The—R. M. Farrar.  
Cribben & Sexton Co.—L. W. Turnbull.  
Curran Bill Posting & Dist. Co.—Jas A. Curran.

Denver Type Fdy. Co., The—L. F. Wiloughby.  
Keith, C. W.  
Northern Nursery Co., The—A. M. Ferguson, Secretary.  
Park Floral Co., The—G. E. Page.  
Scott-Van Antwerp Merc. Co., The—W. M. Scott.  
Wathen, Chas., & Co.—Chas. Wathen.  
Wise, A. H., Mfg. Co., The—A. H. Wise.

#### Eau Claire, Wis.

Cutter, A. A., Co.—W. J. Carpenter.  
Eau Claire Trunk Co.—W. E. Wahl.  
Foss-Armstrong Hdw. Co.—A. G. Foss.  
Lange, H. T., Co., The—H. T. Lange.  
Meador, R. L., Co.—August Stock, Secy.  
Pioneer Furniture Co.—J. W. Scott.  
Wisconsin Refrigerator Co., The—Orlando G. Brice, Manager.

#### Janesville, Wis.

Bassett & Echlin Co.—F. B. Echlin, Pres.  
Parker Pen Co.—Geo. S. Parker.

#### Jersey City, N. J.

Commercial Trust Co. of N. J.—Wm. J. Field, Secretary-Treasurer.  
First National Bank—E. I. Edwards.

#### La Crosse, Wis.

La Crosse Cracker & Candy Factory—W. R. Montague.  
Star Knitting Co.—A. S. Farnam.

#### Lexington, Ky.

Candioto Bros.—Michael F. Candioto.

#### Memphis, Tenn.

Brown & Borum Company—P. R. Flanigan.  
Carrington Mason & Son—A. D. Mason.  
Carroll, H. A., & Company—H. A. Carroll.  
Dobbyns, M. F.  
Eastern Trimmed Hat Co.—Sam Baumgarten.

#### Farley, Mo.

Germania Savings Bank & Trust Co.—J. A. Goodman.  
Memphis Bottling & Mfg. Co.—E. C. Lippmann.

Metcalf Bros.—C. W. Metcalf, Jr.  
Singleton & Crenshaw—L. I. Crenshaw.

#### Newark, N. J.

Guerin & Williams—S. H. Williams.  
Pell, John, & Son, Inc.—E. W. Woodruff.  
Sherwin-Williams Co.—L. D. Walker.  
Waverly Paper Box Board Co.—Matthias Plum, Jr.

#### **New York, N. Y.**

Armour & Co.—A. F. Barclay.  
Birkin & Co.—W. H. Flint.  
Brown, William L. H.  
Case & Co.—R. H. Luce.  
Cavanaugh, F. J.  
Reed & Barton Co.—Geo. N. Stanley.  
Royal Embroidery Works—David Bratter.

#### **Oshkosh, Wis.**

Banderob-Chase Co.—C. C. Chase.  
Grace & Lynch—A. C. Grace.  
Oshkosh Logging Tool Co.—C. A. Libbey.  
Schmit Bros. Trunk Co.—H. R. Minors, Credit Man.

#### **Paterson, N. J.**

Citizens' Trust Company, The—A. H. Dey, Treasurer.  
German-American Trust Co.—R. H. Fordyce, Treasurer.  
Hamilton Trust Co.—Henry H. Parmelee, Secretary-Treasurer.

#### **Philadelphia, Pa.**

Glo-Zo Company, Inc., The—Chas. L. Besselièvre.

#### **Pittsburgh, Pa.**

Brazilian Turpentine Co., Ltd.—R. B. Little.  
Cotton & Shaw—Howard Shaw.  
Grimm, S. S.  
Half, Felix, & Bro.—Felix Half.  
Hubbard, Geo. A., & Co.—F. A. Darrah.  
Lewin, Hugo, & Co.—F. W. Hicks.  
National Cash Register Co.—Myer W. Jacobs.  
Standard Gauge Steel Co.—Jno. A. B. Patterson.  
Walton, Samuel, Company—Samuel Walton.

#### **St. Louis, Mo.**

Boyle, John, & Co.—Geo. E. Reynolds, Manager.

Crane, Chas. L., Agency Co.—W. P. Selby.

Goessling, W. F., Box Co.—Arthur Goessling.

Hezel Milling Co.—F. H. Krite.

Laclede Brass Works—Wm. Modra.

Oberhauser, T. W.

Schoening Hardware Co.—W. L. Schoening.

S lby, W. P.—Care of Chas. L. Crane & Co.

#### **St. Paul, Minn.**

Bank of Ellsworth—Orin Lord.

First National Bank—Joseph Yoerg.

Manufacturers' Bank—L. A. Baker.

#### **Salt Lake City, Utah.**

Banks Pattern Hat Company—O. D. Banks.

Booth Fisheries Company—C. Haffield, Mgr. and Credit Man.

Carpenter Seed Company—G. J. Carpenter.

Richardson & Grant Company, Inc.—E. T. Richardson.

Richmond, F. C., Machinery Co.—F. C. Richmond, Mgr. and Credit Man.

#### **San Francisco, Cal.**

Elkus Co., The—J. J. Vogeli.

Shirek, A., & Sons, Ltd.—Sidney Shirek.

#### **Seattle, Wash.**

Balfour, Guthrie & Co.—L. G. Pattullo.

Gottstein, M. A., Furn. Co.—M. A. Gottstein.

Seattle Glove Co.—R. E. Lounsbury.

#### **Youngstown, Ohio.**

Bostwick Metal Lath Co., The—W. G. Hurlburt.

Dollar Sav. Bank Co., The—F. W. Stillwagon.

First National Bank of Girard, The—James McFarlin.

Niles Trust Co., The—C. P. Wilson.

Telling Bros Co., The—Joseph Evans.

#### **Notes.**

Members of the National Association of Credit Men who have had dealings with the Sprague Mercantile Agency of Chicago, Consolidated Adjustment Co. of Chicago, Barr & Widen Mercantile Agency, St. Louis, are requested to report the result of the same to the National office.

The National office desires to obtain as much data as possible regarding the Whitney Law Corporation of New Bedford, Mass., National Collection Agency of Washington, D. C., and International Law and Collection Agency of Dayton, Ohio. Information from members regarding their experience with these concerns will be appreciated. It is to be noted that some collection agencies which are equipped to do good work in certain parts of the country are not organized to handle business in all parts though they may advertise for country-wide business. This is a feature of our investigations upon which we are laying as much stress as possible.

During the Hudson-Fulton celebration one transit company in New York city carried in seven days without accident, 12,294,716 passengers.

Secretary C. L. Whichard, of the Norfolk Association of Credit Men, asks that his fellow members now kindly address him as "senior." Congratulations seem to be in order.

Members of the National Association of Credit Men who have had dealings with J. Back of the J. Back Agency of St. Louis, are requested to report the results of same to the National office.

If any trade can be said to be tempted more than others by orders of the fraudulent sort it would seem to be the boot and shoe trade judging from letters which come to the National office.

George W. Bliss, of Wyman, Partridge & Co., is leading the movement for establishing an investigation and prosecution fund in connection with the Minneapolis Credit Men's Association.

Harry V. Osborne, present state senator from Essex County, New Jersey, is being talked of as a possible candidate for governor on the Democratic ticket. Mr. Osborne is manager of the adjustment bureau of the Newark Association of Credit Men.

The business literature committee has under way the Credit Man's Diary for 1910. The committee intends to make this, its second effort in this line, a distinct improvement over the 1909 diary. Orders may be filed with the National office.

"Oregon, the Land of Opportunity," is the title of a booklet of unusual beauty issued by the Portland Chamber of Commerce. Anyone who wishes to learn entertainingly about the remarkable development which has taken place in that comparatively new state will do well to ask the Chamber of Commerce to mail one of these booklets.

Visitors at the National office recently have been H. W. Parker, secretary of the St. Paul's Credit Men's Association, and E. A. Mize, of Blish, Mize & Silliman Hardware Co., of Atchison, Kansas; W. B. Monroe, of Simmons Hardware Co., of St. Louis, Missouri.

The Norfolk Association of Credit Men is the next affiliated association to adopt the weekly noonday meeting plan. Luncheon is to be served every Wednesday, between one and two o'clock at Fairfax Hotel. The first luncheon on September 22d was free for all members.

A member raises the point that the Association's property statement blanks should have space provided to show whether persons signing them are white or colored. The National office would be glad to hear if there are other members of the Association who feel that this change would be advantageous.

At the annual fall meeting of the Columbus Association of Credit Men the following officers were elected: H. E. Smith, of the Columbus Merchandise Co., as president (re-elected); F. C. Rice, of Hershey-Rice Mfg. Co., as vice-president, Howard C. Park of the Central National Bank as treasurer.

The Postal Progress League recently incorporated is making a concerted effort to arouse that public opinion needed to warrant Congress in passing a parcels post bill at the next session. Offices have been opened at 361 Broadway, New York, and 6 Beacon Street, Boston, where requests for information may be sent by any who wish to learn fully about the movement.



At the annual September meeting of the New York Credit Men's Association the following officers for the ensuing year were elected: Howard Marshall, of Jos. Wild & Co., president; Frank S. Flagg, of Powell Bros. Shoe Co., vice-president, and Ed. E. Huber, of Eberhard Faber, treasurer.

The Chicago Credit Men's Association is promising that the dawn of the next convention shall not appear until that association shall have attained the distinction of being the largest affiliated branch of the National Association of Credit Men. This will mean a very lively contest for there are several cities which look with jealous eyes upon the position of leadership in members.

The Credit Men's Association of Atlanta is endeavoring to establish a fund of \$10,000 for the investigation and prosecution of fraudulent failures also to organize an adjustment bureau for handling insolvent estates. President Jones reports that the Atlanta association now has its bureau for the exchange of credit information running and in excellent condition to serve members.

James G. Cannon, former president of the National Association of Credit Men, will deliver an address at the annual meeting of the Liability Insurance Association to be held at the Hotel Astor, New York City on October 20th. The subject of Mr. Cannon's address will be the work of the National Association of Credit Men in bringing about co-operation among competing companies.

The Memphis Credit Men's Association, which is a pioneer in establishing a local credit men's library, reports that the members are keenly alive to the value of the undertaking. They are freely donating volumes, and the members are not backward in making use of them. Are there not other associations which can appropriate to themselves the library idea?

St. Louis credit men are making a careful study of the draft system. Complaints are general that country bankers are lax in reporting accurately the causes of non-payment of drafts and conferences on the subject are being sought with the members of the Missouri State Bankers' Association and also bankers in other states principally covered from the St. Louis market.

Clark Williams, superintendent of banking of the state of New York, has been chosen president of the National Association of Supervisors of State Banks. Owing to the arrangements being made by Comptroller Murray to form a close working alliance between state and national examiners the work of the supervisors' association will be highly important. Mr. Williams is known to be in hearty sympathy with this proposed alliance.

The American Clothing Co., of which F. M. Gettys is president, will change its headquarters during October from Louisville, Kentucky to Knoxville, Tennessee. One reason for the change is that Knoxville, as a center for clothing manufacturing, has made wonderful strides during the past few years and is now the largest in that line south of Cincinnati. With greater facilities and a rapidly increasing business the future success of the company appears to be assured.

It is an excellent idea to have all committees of local associations report their doings and plans directly to the membership as frequently as is possible. The Memphis association held a meeting September 21st at which nothing but the work of the various committees was discussed. The meeting had a wholesome effect. Nearly all men are inclined to keep closer to the scratch when they are held to

account for the work given over to them. Nobody wants to come up to the office many times with the remark "Sorry, but I really have nothing to report."

Howard Marshall, president of the New York Credit Men's Association, was a candidate for councilman at the September primaries held in East Orange, New Jersey. Mr. Marshall, while defeated, was much gratified over the showing he made, especially as his opponent, the present councilman, has filled the office for several terms in a satisfactory manner. The issue Mr. Marshall made his run on was a change in the methods of the board of education.

It is evident that some members of the Association are not as punctilious as they should be regarding the use of letters, general and special, issued by the National office, instances coming to mind of letters being shown to parties about whom information or opinions are being given. While every effort is made to attain accuracy in all Association communications it is fair to expect that they will be treated as privileged between Association and member. Of all professions the credit man should have no difficulty in understanding this point.

The National office sent out a few weeks ago a letter to the individual members asking that they suggest names of concerns which should be on the Association rolls. One member in Dayton, Ohio, responded: "We are very much interested in the National Association of Credit Men, but are not suggesting any special names for membership for the reason that there are too many names we might mention. We would recommend every large institution in Dayton as being desirable for membership." Perhaps this applies to other cities besides Dayton.

J. A. A. Geidel, president of the Pittsburgh Hay & Grain Exchange, in addressing a recent noon-day luncheon of the Pittsburgh association, declared that he was satisfied that debtors contemplating fraud, try to avoid doing business with the members of the Pittsburgh Credit Men's Association. He cited one case of fraudulent failure in which a great many members of his exchange had been caught, but peculiarly enough, not one of the exchange holding membership in the Credit Men's Association was on the list of unfortunate creditors.

A member has just written the National office for information regarding one Morgan McNutt, of Saragossa, Alabama, to whom he has shipped two bills of goods upon which he is having difficulty in making collections. The office was a bit discouraged on receiving this letter because McNutt's name and outlines of his methods have appeared not once, but many times in the Association's general letters and the BULLETIN. Many a member may save several year's dues if he will only note the BULLETIN's warnings as they appear month by month for all who will read them.

Edmund Hobbs, of the Detroit Heating and Lighting Co., who was president during the year 1908 of the Detroit Credit Men's Association, died September 23d; at Grace Hospital, after a lingering illness. President Millis of the association appointed a committee consisting of all of the past presidents, present officers and other prominent members to represent the association at the funeral services held September 25th at the residence of the deceased. Mr. Hobbs reached the highest office in the gift of his fellow credit men through recognition of his earnest interest and devoted efforts in behalf of the association.

Walter L. Fisher, of Chicago, president of the Conservation League of America, has announced the completion of the National Conservation

Association with former President Charles W. Eliot of Harvard as president. The purposes of the newly formed association will be to unite in one great national organization all those who desire to give their personal influence and support to the movement which, under the name of conservation has come to mean so much for the future of this continent. It aims to harmonize and unite all efforts of individuals and other organizations in conserving the nation's natural resources. Headquarters of the association will probably be opened at an early date in New York.

Among the few accidents which took place during the Hudson-Fulton celebrations around New York the last week in September was one which came near being very serious for F. K. Dolbeer, a prominent member of the New York Credit Men's Association. A boat from which he with his family was viewing the great naval pageant came into sharp collision with another craft. His two daughters were caught in the wreckage and barely escaped with their lives. They were removed to a hospital as promptly as possible. Reports at the time of going to press are to the effect that the young ladies are on the sure road to recovery.

The adjustment bureau of the Kansas City Credit Men's Association has just made final report to creditors in a case which involved liabilities of \$10,191.30. The creditors pooled their interests placing them in the hands of the Kansas City bureau. The business was kept as a going concern and was made to produce \$3,363.75, the balance being obtained from the individual assets of the members of the corporation amounting to \$7,236.55. The total expense charged to creditors was but \$154, and the bureau charged as its compensation \$557.71. The bureau also collected \$406 interest so that the net cost to creditors was \$305.71 or 3 per cent. of the face of the claims and they received 100 cents on the dollar. This is the sort of record which advertises the bureau.

The San Francisco Credit Men's Association issued the following warning under date of September 3, 1909:

"A man representing himself as F. Triest, of the hat house, Triest & Co., of San Francisco, is traveling from place to place, and on the strength of his alleged connections, is reported to have borrowed money and passed a lot of bad checks.

"Triest & Co., of San Francisco, have no one by the name of Triest representing them on the road, and this party is an impostor. He is described as being about five feet four inches in height, stout, smooth shaven, about thirty years of age, and married. His wife sometimes accompanies him.

"If you can aid us in locating this party, kindly write us at once, and oblige

Yours truly,  
"SAN FRANCISCO CREDIT MEN'S ASSOCIATION,  
"BEN ARMER, *Secretary.*"

The Pittsburgh Association of Credit Men has a committee at work considering the question of establishing a bureau for the exchanging of credit information. Its members are G. Brown Hill, Geo. W. Ryan and T. K. Cree, Jr. The committee is instructed by the directors to investigate the plans now in use in the thirty other affiliated branches of the National Association of Credit Men, which have a system of exchanging information in operation with a view to reporting as speedily as possible the plan which will best fit into Pittsburgh conditions. The progress which is being made at the very advent of the association year all over the country in this particular department of work, will be highly gratifying to all who have the welfare of the Credit Men's Associations deeply at heart.

The Cincinnati *Inquirer* of September 28th contained a despatch

from Frankfort, Ky., to the effect that the United States Grand Jury which convened in that city September 27th would be called upon to consider the cases of twenty residents of Breathitt County charged with conspiracy in using the mails for fraudulent purposes. It is claimed that more than fifteen thousand dollars worth of merchandise had been shipped into the mountain countries of Kentucky during the last eighteen months to be so spirited away that all trace of it was lost. Witnesses were called to Frankfort from Cincinnati, Louisville, Lexington, St. Louis, Chicago, Buffalo, Sandusky and Knoxville. Through the local Credit Men's Associations at first six named points the postal authorities have been enabled to corral a band of crooks which have been destroying the general credit of business houses in large sections of Kentucky.

Reports of trade all over the country are to the effect that conditions are, generally speaking, practically normal, that is to say, business and collections have arrived at a point of almost complete recovery from the financial convulsion from which we have for several months been steadily recovering. This conclusion is reached from a study of records of bank clearings, which are a trifle larger than during the year preceding the panic, traffic and earnings of railroads which, during September, 1909, showed a gain over September, 1907, when car shortage was the great problem before the railroads, and post office receipts, which in the principal centers show marked advances. Also liabilities in commercial failures reported for September last are \$8,446,029, against \$17,298,186 for same month last year, a most satisfactory showing.

The question of the overcrowded condition of the legal profession in New York State was one of the subjects taken up by the American Bar Association at its last convention. This same subject has been under discussion by the New York County Lawyers' Association. The feeling is growing that the requirements for admission to the bar are too low. Many states demand a three years' term in a law school, while New York requires but two years. It is felt that by the existing system a class of lawyers is produced inadequate in moral as well as in legal education and training, and many are making the demand that requirements for bar admission be raised, the result of which would be to lessen the size of the grist of young lawyers turned out upon the public each year.

The Buffalo Credit Men's Association did not enter into the plan of establishing a bureau for the interchange of credit information until the most careful consideration had been given to every problem the bureau might present. When the start was made, it was made right. Fifty of the strongest houses allied with the association pledged themselves to give the bureau their best support and it is pretty safe to forecast that Buffalo credit men will in a year or less have a bureau to which they can point with pride. It is to be earnestly hoped that the country will soon be provided with these interchange bureaus east and west, north and south, so that credit men can get the facts, not opinions only, regarding their customers' standing no matter where these customers may be located.

The National Wholesale Dry Goods Association is giving considerable study to reducing the cost of the package in which their goods are received and shipments made. It is generally felt that in the wholesale dry goods line larger gross profits can not be looked for which makes necessary the constant consideration of economies. In speaking of the matter recently, Secretary Douglas Dallam declared that practically 25 per cent. of the freight charges on merchandise



consigned to jobbing houses throughout the United States is contributed by the weight of the boxes in which the merchandise is contained. This fact alone indicates what an opening there is in this one direction for a large saving if lighter packages can be made practicable. All such study is along the line of conservation of resources which is now in the air.

Nothing, of course, is pleasanter to hear than commendation and especially when it comes from one who knows whereof he speaks. The following taken from a letter recently addressed to the Association besides containing a message of appreciation might, if called to the attention of some concern which has been in doubt as to the value of membership in such an organization, induce it to get into line. Every member knows some concern which should join. Why not put this letter where such will see it?

"Credit men who will take the time to read the BULLETIN cannot fail to get valuable information regarding credit matters. We are glad that we are numbered among the members of the National Association of Credit Men, for we are deriving material benefits therefrom."

The National Association of Local Fire Insurance Agents held its annual conference September 21st and 22d at Atlantic City. This association is doing excellent service in bringing about better practices in fire underwriting, is seeking to elevate the plane of the agent's work and is bringing about a better relation between the companies and their local representatives. Recognizing the work that the National Association of Credit Men is doing to improve conditions in fire insurance lines, the local agents in their conference voted to authorize their president to continue a committee to confer with this association. One very practical subject discussed at the conference was the "clean-up" proposition, or what the local agents can accomplish in their respective towns and cities to free premises of those unkempt conditions which have been found conducive to fire waste. It was felt that the local agent is in a strong position to lead off in a "clean-up" movement which would rapidly extend all over the country.

A member of the Association recently sent to the National office a circular letter he had received in which offers were made to advance 80 per cent. on accounts receivable; 6 per cent. was to be charged on advances and it is generally known that as much more as possible is often charged for commissions, clerical services, etc. The business of advancing on receivables is perfectly legitimate, though it is undoubtedly a fact the system proves the undoing of many a manufacturer whose profits will not permit of the taxes which money-lenders impose. What it is wished especially to call to attention is the fact that creditors ought to know fully about their customers who are borrowing on their receivables. Some statement forms make no mention of this point. Realizing its importance this matter is given prominence in the Association's standard forms so that the man who presents a statement of his condition can not escape without giving a definite answer regarding any hypothecations he may have made. Copies of Association forms will be sent on request.

One of the many topics being discussed by President Taft in his circuit of the continent is the law's delay, which he, in his broad experience, is well able to treat authoritatively. As executive head of the nation it means something when he says that "delays and complexities in the determination of civil cases constitute a grievous hindrance to justice." President Taft calls attention to the interesting fact that while we derive our judicial system from England, that



same system is made to work far better there than it does with us. In view of these remarks from so high quarters, it is well that those who are earnestly working on this great practical and moral problem courageously continue their work for a solution. Especially should these words hearten the members of the Philadelphia and Pittsburgh associations which are working so intelligently and persistently for reforms in the lower civil courts of Pennsylvania.

An interesting side-light on the doings of Samuel D. Gray, now lodged safely in a Colorado jail, as told in the August BULLETIN, is supplied by a prominent member of the association in St. Joseph, Missouri. He says that in November, 1908, Gray appeared in that city bearing a letter from a bank of Higgins, Texas, which stated that the bearer, F. D. Schmidt, was the owner of a stock of merchandise in Higgins worth \$3,600, all paid for, and that he was then engaged in erecting a store building. Schmidt represented that a new line of railroad was building into Higgins and was to establish a division point there. The roundhouse, he said, was to be opened on the following Saturday, and this event was to be attended by a celebration in which all Higgins was to join. For this special occasion he was in need of some additional dry goods, shoes and jewelry, which he wanted shipped by express the same day in order to be in time for the celebration. The authenticity of the letter from the Higgins Bank was established by a telegram from the bank in response to a message sent from one of the local houses and Schmidt had practically completed arrangements for the shipment of a large supply of goods, when late in the day some suspicion was aroused by Schmidt's actions, and as a result, all withheld their goods. Afterwards Schmidt's identification as Gray was made certain.

In connection with the meeting of the board of directors of the National Association to be held, as elsewhere announced, in New York, November 17th and 18th, the New York Credit Men's Association is planning to give a banquet at which it is hoped to have an attendance of at least 1,000. In urging all members to help in making the banquet a great success, President Howard Marshall, of the New York association after pointing out that there are upwards of 5,000 men in New York who are directly responsible for the credit extensions of the large business houses of the metropolis says:

"From an oratorical standpoint the meeting will have no equal. There will be no talks on the thousand and one subjects which are foreign to a credit man's particular line of thought, but there will be an exchange of ideas direct from the fountain head of originality in credit matters such as probably never has been had since the development of this profession."

"This undertaking marks a step forward on the part of the New York Credit Men's Association, which now numbers seven hundred members. As a member of the Association you must naturally and necessarily be interested in the subjects which have been analyzed and developed through the medium of our Association work. We call your particular attention to the unusual opportunity offered by this occasion for credit men to meet each other in person and participate in the affair socially and intellectually. Let us show the National Association in a practical way what the resources of our city comprise, so that to the four corners of our country can be carried a clearer understanding of what New York really represents in power and influence."

The adjustment bureau committee of the Pittsburgh association presents in a recent issue of their local bulletin two arguments for sustaining adjustment bureau work, which should appeal to credit men convincingly:

- (1) "In these days when the sales department of a modern business

enterprise is straining every eye and nerve to catch the first signs of some new scheme or suggestion that can be utilized to extend and increase the sales volume, with all due respect to the caution and conservatism which characterizes the profession, it behooves the credit department to be alert in the adoption of any system or means that will be of assistance in the handling of such bad accounts as will, in spite of caution and conservatism sooner or later appear on the ledger."

(2) "Again, the notion that the failure of a debtor and the treatment of assets and liabilities must, as a matter of course, involve legal action and court proceedings and the services of attorneys, is being exploded. Would you not rather have some one trained in business methods and merchandising care for your interests? To meet this view the adjustment bureau has been fostered and founded by this association. Its business is to provide a medium, prompt, efficient and disinterested, through which creditors can send their claims and be sure of a "square deal," and also through which creditors as a body can meet and treat with the debtor when failure is present or pending and assume charge of the assets, to see that they are economically and advantageously disposed of under creditors' control, and the proceeds distributed where they belong; that is the adjustment bureau in a nutshell."

Did it ever occur to you that the efficiency of the various adjustment bureaus connected with the local associations will increase or diminish as the members use them? Left unused, you can not expect that these bureaus will always be instantly ready to serve you when you suddenly wake up to their existence, but consistently and faithfully used they are certain to become growingly powerful in guarding your interests when they are most exposed to those who could do you injury.

#### **The Annual Fall Meeting of the Board of Directors.**

The board of directors of the National Association of Credit Men will hold the annual fall meeting November 17th and 18th, at New York City. Any member who desires to make recommendations to the board on any subject touching association work should communicate with Secretary-Treasurer Meek, at the National office, 41 Park Row, New York City.

#### **States in Which the Legislature Meets During the Next Eight Months.**

For the interest especially of members of the legislative committees, both national and local, is here presented a schedule of the sessions of state legislatures up to June 30, 1910. This schedule does not apply to special sessions, nor does it mention the states in which a regular session will not be held during the period in question. The list is authentic as information was in all cases received directly from the secretaries of state.

State.	Date of Convening.
Georgia .....	Fourth Wednesday in June, 1910.
Louisiana .....	May, 1910.
Maryland .....	First Wednesday in January, 1910.
Massachusetts .....	First Wednesday in January, 1910.
Mississippi .....	Fourth day of January, 1910.
New Jersey .....	Second Tuesday in January, 1910.
New York .....	January 1, 1910.
Ohio .....	First Monday in January, 1910.
Rhode Island .....	First Tuesday in January, 1910.
South Carolina .....	Second Tuesday in January, 1910.
Virginia .....	Second Wednesday in January, 1910.

## Honors for a Past Secretary of the National Association of Credit Men.

No name is more prominent in the annals of the National Association of Credit Men than that of William A. Prendergast, who for several years was its able secretary. Members in general will now rejoice in the recognition of his worth and ability exhibited by his nomination to the office of Comptroller of the City of New York on the Anti-Tammany tickets. Such choice speaks well for the wisdom of those who had most to do in naming the candidates and is an earnest of their desire to give the metropolis a business-like administration. Members will be interested in reading the following outline of Mr. Prendergast's career as published in a New York daily:

"William A. Prendergast, who is said to be slated for the Fusionist nomination for comptroller, is a clean-cut specimen of the new, but increasing school of business man politician. His career affords an insight of a rising young statesman in the making. A native Manhattanite, he imbibed his Republicanism in the primary school, and, although a host of his friends and most of his intimates have been and are of the party of Thomas Jefferson, he has never faltered in his allegiance to the principles of Alexander Hamilton. His first school lesson in civics begot a love for the science of government, and from then until now his study, his reading and his training have been in that science, finance and commerce. He is a "born orator," if there is such a thing. Nature endowed him with a commanding presence, facility of speech, a strong pleasing voice, and a marvelous memory for facts, figures and faces. With his first vote came his introduction to the public platform, and his eloquence has since established his reputation as a public speaker in every important city in the country. He began his business career with the old established Broadway firm of James G. Johnson & Co., and became credit man of that house. He was later chosen secretary of the National Association of Credit Men, and in this position demonstrated his administrative ability and his genius for organization. The association was extended throughout the country largely through his efforts, and he became a recognized authority in business centers in certain branches of commercial law and practice. At the request of D. Appleton & Co., he wrote a book, "Credit and Its Uses," that has been adopted as a text book in a number of educational institutions.

"Two years ago Mr. Prendergast was nominated by the Republicans for register of Kings County, and was elected with a plurality larger than any of his associates. It was his first election to public office, and he had barely taken his seat in the Hall of Records before his subordinates and the interested public began to realize that here was a man who had the temerity to attempt a demonstration of his conviction that it is possible to be a business man, an office holder and a party man, and to combine the three for the public benefit. He shocked the old-fashioned office holders by demanding a fair day's work for a fair day's wages. This demand was not at first regarded seriously, but the new register soon convinced the entire force (the largest in the county) that he meant all that he had said, and the shufflers came to time. An abuse, generally prevalent in public offices, was the practice of renewing lengthy leaves of absence from duty, with full pay during absence. Mr. Prendergast refused to grant these renewals with pay. The matter was passed on by the courts and the register was sustained. There was a vast arrearage of work in the

register's office when Mr. Prendergast assumed control. He foretold to the day, almost, when this arrearage would be worked off, and won the hearty commendation of the business community by the rapidity with which the work of recording documents was brought up to date.

"When Mr. Prendergast announced that he stood absolutely with Governor Hughes in his war on race-track gambling, and that he was heartily in favor of the governor's demand for direct nominations, and proclaimed his faith from the platform on both issues, there were many who shook their heads and pronounced him politically dead, but the new school politician has such an abiding faith in the honest voter's appreciation of and support of any issue that makes for good government and the purification of politics, that he dashes boldly in where policy and expediency make the old-time politician fear to tread.

"Such is the man who is likely to be presented to New Yorkers for the office of comptroller. His knowledge and brilliant handling of financial and commercial subjects have made him known throughout the country, and he has addressed bankers and commercial associations from Maine to California. His views on bankruptcy proceedings were heard with attention by congressional committees just prior to the revision of the bankruptcy law. He is president of the Island Cities Real Estate Co., and a director of the Northern Bank of New York and the Home Trust Co. and the Brooklyn Bank of Brooklyn."

The pity is that every member of the Association can not register his vote for Mr. Prendergast.

#### **A Young Man Deft at Old Tricks.**

The BULLETIN is in receipt of a cut of one Samuel A. Schulman, which is presented herewith. The party is of Hebrew extraction, about



24 years old, 5 feet 5 inches tall, weighs about 140 pounds, dark eyes, generally parts his hair in the middle. His knees are bent back when he walks and one shoulder appears to be slightly higher than the other.

His scheme is to establish a fairly good credit and then order often from all the houses which will ship him. Then before bills mature he reships the merchandise under an assumed name and disappears. This scheme was carried through successfully in Pennsylvania and again at Wellston, Ohio. He is known to have used the names—S. A. Shuman, Sam Miller and Sam Lindauer. His father was in business at Downingtown, Pennsylvania, and the last information was that the father and two sons had located in either Texas or Oklahoma. It is fair to



presume that they will not allow much time to pass before attempting to turn the same kind of trick again.

Warrants for the arrest of Schulman have been issued and any house getting trace of him or the members of his family should get into immediate touch with the National office.

### **An Insurance Journal Advises Its Readers to Join the Credit Men's Association.**

The *Chronicle*, a prominent journal published in New York covering insurance interests, recently offered editorially the following advice to burglary and fire insurance underwriters. The editor's estimate of the National Association of Credit Men and of the practical value of membership in it is exceedingly definite. The *Chronicle* says:

It is a bit suggestive of dullness on their part that the burglary and fire insurance underwriters of commercial and general risks do not become members, or have their companies do so, of the National Association of Credit Men, now the most highly developed and powerful organization in America's commercial system.

Dun's and Bradstreet's reports are of exceedingly doubtful value for burglary underwriting purposes and the burglary insurance people simply gravitated toward them for want of something better and following a sort of a perfunctorily respectable custom established by the fire companies. The several minor alleged "reporting" concerns are of lesser value to the underwriter, having Dun's or Bradstreet's facilities and some of them being simply grafting concerns supporting a few expert "pikers."

A member of the credit association knows his ground and its people; Dun and Bradstreet simply record and report information gathered from the public and trade papers, court journals and such matter as is public; the little pikers copy such reports in some amended form and pass them along. But the credit man has something vital at stake, to wit: the continued and increasing solvency of his business. His knowledge of a fire or burglary commercial risk in his bailiwick is of value, hence it would be well if the insurance companies could obtain membership in the association and thereby acquire access to its highly valuable sources of information.

With the National Association of Credit Men, the American Bar Association and the American Bankers Association busying themselves with insurance as an economic credit principle of vital interest to continued prosperity—and posterity—the insurance people have a magnificent opportunity to plead their wrongs before competent courts and of securing the most powerful of advocates before the body politic and advancing the cause of federal supervision.

With the approval and co-operation of these three most powerful influences the good old ship "Insurance" could readily be freed from the barnacles that have fastened on her and menace her very existence.

### **That Dollar Limit on Checks.**

The newspapers of late have been stirring up no little excitement over a discovery they made in the revised penal code of the United States which goes into effect January 1, 1910. Section 178 of the Code appears to prohibit with severe penalties the issuing of checks for sums less than one dollar. Knowing that Congressman Swager Sherley was a member of the Joint Committee on Revision of the Law which had in charge the codification of all the criminal law of the United States, the National office wrote Mr. Sherley asking if he would not give the members a full explanation of the section.

Mr. Sherley replied as follows:

"Section 178 to which reference is made reads as follows:

"No person shall make, issue or circulate or pay out any note, check, memorandum, token or other obligation for a less sum than one dollar, intended to circulate as money or to be received or used in lieu of lawful





was carefully stated the Association's attitude towards the bankruptcy law and its purpose to collect data on the subject of expense of administration.

The reply of the referee was full and satisfying and his recital is so typical of a large number of cases with which credit men have to treat that it is well worth printing in full. Our member referred to above on reading the referee's statement, said: "I feel that the referee has handled this case with rare judgment and that credit men are not justified in complaining on the final outcome of the estate."

The referee says:

"I do not know from what source you derived your information, or rather mis-information, in the — bankruptcy case, but the facts are as follows:

"There was a chattel lien purporting to cover the bankrupt stock and fixtures, which the lienor insisted was valid as to the fixtures anyway and proposed to waive as to the stock in trade if the trustee would concede its validity as to the fixtures, which the trustee declined to do, and insisted on contesting the whole lien.

"All parties interested agreed that the stock and fixtures could be sold to much better advantage together in bulk as a going business, and all insisted that an accurate appraisal be made so as to determine the ratio of the fixtures to the selling price of the whole for apportionment between the lienor and the general creditors. Accordingly the appraisers made a careful and minute appraisal, estimating the aggregate value of stock and fixtures at \$1,375.81.

"The accounts receivable were about \$500 in amount. Based on this valuation and the fact that the appraisers worked seven days on their appraisal and preparing their report, I allowed them \$25 each, besides their disbursements, or about \$3.50 per day, although they insisted on \$5 per day. This allowance, with their disbursements, aggregated \$87.60, and was as low as I thought I should cut them under the circumstances.

"The trustee and lienor went through a long and hot contest before me as to the validity of the lien, which resulted in the lien being held valid as to the fixtures but invalid as to the stock in trade. In this contest the stenographic fees for taking the evidence were large. The referee's disbursements for stenographic service, traveling expenses and actual court expenses were \$60.05 of the \$69.05 complained of by your member, all but \$9 being actual disbursement.

"The stock and fixtures sold in bulk for \$500, and the proportionate part thereof derived from fixtures based on the appraisal as stipulated by the parties as aforesaid, was \$194.55. The accounts realized \$58.59, making the total received by the trustee \$558.59.

"Out of this \$558.59 the trustee paid the referee's disbursements and the appraisers' fees above, store rent and incidental expenses of administration, such as labor, advertising, etc., aggregating \$215.15, leaving on hand \$343.44, out of which to pay fees of referee and trustee and allowances to attorneys for trustee and bankrupt and the \$194.55 secured claim and about \$175 preferred labor claims, thus making it apparent that the secured and preferred claims would more than eat up the whole \$343.44, even if no allowances were made for fees and attorneys, leaving nothing for general creditors.

"The referee's fees were the filing fees for claims and commissions on whatever money should be paid to claimants and aggregated about \$16. The trustee's fees amounted to about \$30. As there was not

sufficient to more than pay the attorneys but a bare living allowance and the secured claim, I as referee proposed to call my fees only \$9 instead of \$16 and turn that \$9 over to a poor working girl who had a \$9 claim for wages and have the trustee accept \$21 instead of about \$30 for his fees and apply the \$8.89 difference on another preferred labor claim. This the trustee consented to do. Therefore, I as referee received the magnificent sum of \$9, which the trustee by my direction paid to the said working girl, and I got nothing at all (except the \$15 deposited with the clerk when the bankrupt first filed his papers), for all my services covering, besides the usual duties, several days taking testimony and deciding a contest, and the trustee got the further magnificent sum of \$21 for all his work.

"Of course I insisted on the disbursements incurred by me being paid, because while I am sometimes willing to work for nothing, I am not willing to pay for doing so out of my own pocket. You assume in your letter that the referee received \$69.05 in fees. If you had waited to ascertain the facts before you had indulged in your assumption you would have found them as above stated.

"To return to the \$343.44 balance above mentioned: \$194.55 of it belonged to the secured claimant, and against his protest I charged it with \$50 of the administration expenses and directed the trustee to pay said secured claimant only the sum of..... \$144.55  
 I allowed the trustee for fees as above stated..... 21.00  
 I allowed trustee for his attorney's services (which was ridiculously small for the services) ..... 100.00  
 I allowed the bankrupt's attorney (when the usual allowance is \$100) ..... 60.00  
 I fixed referee's fees (paid to working girl) at ..... 9.00  
 I directed paid to another preferred claimant (taken from trustee as before stated)..... 8.89

So that you have above balance disposed of..... \$343.44  
 Add stenographic, appraisal, etc., expenses above mentioned. 215.15

And you have the total estate..... \$558.59

"Now let me add that a referee is not to blame for contests. Creditors retain attorneys and make contests which a referee can not refuse to hear, and it can not be other than expensive. Then when it comes to paying, the creditors 'kick' on expenses that they themselves (through their attorneys) have made. It is *always the creditors* and *not the referee* that are responsible for the expenses of contests. They make the expenses and then blame the referee for following the law which directs all fees and reasonable disbursements and counsel fees for trustee's and bankrupt's attorneys to be paid. Then they call on the referee to save them from the inevitable consequences of their own acts by taking it out of the attorneys and sometimes even object to the referee receiving the mere pittance he does after they have made him a large amount of additional work for which he gets no more compensation than if there was no contest.

"The referee is frequently 'up against it' in this way: If he attempts to discourage a contest he is charged with trying to shirk his duty because he gets no extra pay for the contest. If he permits a contest which he can not prevent if the parties insist, he is blamed for the cost thereof.

"This case is a fair sample of many cases and I am not sorry you

have selected it as a basis for your implied complaint. In it the bankrupt owed secured claims approximately:

Aggregating the sum of.....	\$525.00
Labor preferred claims of approximately.....	175.00
General claims of approximately.....	4,300.00

Total approximately ..... \$5,000.00

"The bankrupt claimed to have \$3,000 or \$4,000 in assets which were appraised at about one-half of his estimate and realized about one-sixth. The general creditors insisted on a contest with the secured creditors and thereby incurred two or three times the expense that otherwise would have been made, and in that way used up all the estate and then 'squeal' because the referee declines to rob those who have been forced to incur the expense at the behest of 'squealing' creditors.

"In this case it happened that there was no question as to the validity of the secured claim as to the fixtures, and the secured creditors offered to waive any claim as to the stock, but the unsecured creditors (through the trustee of their choice) insisted on a contest, and the result was that they used up money that otherwise would have gone to them. If creditors would remember that such litigation can not occur except as authorized by them, and at the expense of the estate, they would strike one of the main sources of the trouble they complain of.

"Another trouble is that creditors will not attend sales and see that goods bring what they are worth, and then when they sell low they 'kick' again and blame the trustee or referee, both of whom are powerless, the creditors themselves being the only ones having the power to remedy that trouble. I do not recall whether in the D— case the goods sold for less than their fair value, or whether they were worth less than supposed and brought all they were worth, but this *I do know*, the trustee made strenuous efforts to get more, after due notice to all creditors and to the public, and was unable to do so.

"Another great trouble is that some attorneys solicit and in response thereto creditors send their claims with powers of attorney to attorneys whom they never heard of before and leave everything to those attorneys, and then when results do not please them, they find fault with the referee for the acts of their own attorneys clothed by them with power whose authority to speak for them the referee can not ignore.

"The present bankruptcy act is as nearly perfect as a general law can be. In the allowance of fees it is absolutely niggardly and creditors have no cause to complain on that score, nor on the discretion exercised by the bankruptcy courts as to the amount of allowance commensurate with the services rendered. I never yet allowed an attorney, appraiser, trustee or receiver as much as he had really earned. The trouble in the administration of the bankruptcy law lies not in the bankruptcy courts, but with the creditors themselves mainly in the respects above noted, to wit:

"I.—They will not see that property brings on sales what it is worth;

"II.—Either they knowingly make litigation which depletes the assets;

"III.—Or they negligently permit their authorized attorneys to do so.



*"In all these respects the referee is powerless.*

"Many a time, on account of inadequacy of price, I have refused to approve a sale and ordered a re-sale with special notice to the public in general and to the *creditors in particular*, with no better results, all on account of the apathy of the creditors. Many a time have I suggested compromising contests, calling attention to the large expense in proportion to the results to be achieved, only to be met with emphatic refusals from both sides, often with veiled insinuations that my suggestions are in my own interests to avoid hearing a contest for which I get no compensation. Therefore there is nothing left for the referee to do but to hear and determine the controversy at the expense of the assets, even though to him it may seem wholly unnecessary and wasteful.

"Allow me to close by saying *most emphatically* that you will find the remedy for the things you complain of lies *with the creditors* themselves and not with the judicial officers administering the bankruptcy courts."

#### **A Case Which Was Rapidly Assuming the Proportions of a Big Swindle.**

Recently the Association has included in its bulletins warnings against the Lincoln Bargain House of Chicago. Matters developed rapidly with this concern. It was operated by a man named Marcus Rosen, his wife and five sons, the latter having been in business in several cities where they managed to leave several creditors in the lurch.

The Lincoln Bargain House was handled a little differently from the other enterprises. It was incorporated and the Rosens took in as officers two or three whose names gave a respectable appearance to the company. They then succeeded in getting Bradstreets to accept a statement which they gave, to which the agency added "Personally all concerned are well regarded." When they reached this point the Rosens managed to get rid of these respectable officers and stockholders and then launched a scheme, out of which they expected to reap large and quick benefits. They took a trade directory and wrote hundreds of letters for samples and prices. Then orders were placed, first for small amounts with Bradstreet's report as a reference. Care was taken to pay the bills promptly and then the satisfied creditors were added to the list of references.

The plan worked admirably, but here is where the Rosens overworked a good thing to their undoing. They used their references too hard. The houses from which they had bought a few small bills and paid promptly received so many inquiries that suspicion was aroused and this is what started the investigation. The investigators worked fast with the result that the Rosens admitted that they were caught unexpectedly. Plans were laid bare which seemed to point to a swindle which would run into perhaps a hundred thousand dollars so fast were they by this time receiving goods. The brothers, Morris and Alex, were taking quantities of merchandise and disposing of it in Milwaukee, Detroit and other points. What the adjustment bureau of the Chicago Credit Men's Association has to report in the matter will prove interesting. It is in the form as given to numerous creditors of the Lincoln Bargain House. The story reads as follows:

"For the information of the many creditors interested in this case who are besieging us with inquiries, we desire to make a somewhat comprehensive report as to what action has been taken thus far and the result.



"Following the filing of an involuntary petition in bankruptcy by our counsel on September 10th and the appointment of Frank M. McKey as receiver and his taking possession of the store, we caused the arrest of Henrich L. Rosen on a writ of *ne exeat* to prevent his leaving the country; we also had him served with a subpoena to appear before Referee Wean for examination.

"Rosen was taken into custody by the marshal and his bond fixed at \$1,000; his mother promptly appeared with ten one-hundred-dollar bills as cash bail; later this bond at our request was increased to \$2,500.

"With the assistance of Pinkerton detectives who had been engaged by the association and put on the case some two weeks previous to the filing of the petition, a quantity of merchandise that had been hauled first from the store and placed in a barn and later moved to a vacant store on West 26th Street, was taken possession of by the receiver. These goods should be worth several hundred dollars.

"In the same manner we were able to trace in all fifty-four cases of merchandise that had been shipped from the store and from different depots direct to Minneapolis in the name of 'M. Greenberg,' who is none other than Morris Rosen, a brother of Henrich L. These shipments and 'M. Greenberg' were placed under surveillance. He had the cases taken first to a warehouse, but at this juncture he must have learned of the proceedings taken here, in fact, his brother Alex immediately disappeared from Chicago and appeared in Minneapolis. They then arranged to have the goods reshipped over different lines and in different names to San Francisco. We obtained an order of court here enjoining the transportation companies from making delivery and when the shipments can be located en route we expect to have them returned. The contents of these cases should be worth several thousand dollars, besides furnishing a strong link in the chain of evidence to defraud.

"Henrich L. Rosen testified before the referee that he owned ninety-nine shares of the capital stock of the corporation and was the only one interested; that he estimated the liabilities to be about \$12,000 and the assets not to exceed \$2,000; that he made a signed statement to Bradstreets in April, this year, when the corporation started business, showing merchandise on hand \$7,384.65 and cash \$2,282.15, with a few accounts receivable that offset the liabilities.

"The books of the company have been carefully examined and what they contain coupled with the testimony of the bookkeeper and the admissions of Rosen, now a part of the record in the case, we believe, will furnish the basis for further drastic action.

"Taking the figures above and what the books show, we have the following:

Merchandise on hand April 7, 1909, when business was started .....	\$7,384.65
Cash on hand .....	2,282.15
Bought and paid for while in business.....	9,743.50
Bought and received and owing for now.....	14,946.00
Total .....	\$34,356.30
Deduct total Sales .....	\$11,277.91
Expenses. ....	3,819.16
	<hr/>
	15,097.07
Should have stock on hand .....	\$19,259.23

"Inasmuch as the merchandise on hand does not exceed \$2,000 in value even on Rosen's estimate and without allowing for any profit on the sales it will be seen there is a shortage of more than \$17,000 for the five months the concern was in business.

"The sales are for the most part, especially since August 1st, entered as 'Cash Sales,' so that they can not be traced or checked as to quantity, price or proceeds. The total sales shown for August are \$2,918.31, yet we have evidence in the record of sales to one party alone of \$3,100; of this the cancelled checks payable to Lincoln Bargain House endorsed by Rosen show that \$2,000 went into his personal account at two different banks.

"Creditors should bear in mind that the purpose of this preliminary examination is to discover assets, and at the first meeting of creditors a still more searching inquiry will be in order.

"It is only fair to state that this association through its attorney, its officers and the bureau manager, has earned the credit for what has been done in this case. No other agency or attorney has been present at all the hearings or taken an active part in the proceedings. We are deserving the co-operation and support of every creditor. If your claim is in the hands of an attorney you should instruct him accordingly, and if you are not represented you should send us a statement of account at once.

"Yours truly,

"CHICAGO CREDIT MEN'S ASSOCIATION,  
"Adjustment Bureau,

"Manager."

As the BULLETIN goes to press it is reported that some fifty-four cases of goods shipped by Rosen have been seized in freight houses at San Francisco and Seattle. These goods undoubtedly run into several thousand dollars in value.

#### Practical Fire Prevention Plans.

The following plan outlined by the *Western Underwriter*, of Chicago, is a move in the right direction:

"The *Western Underwriter* will take a hand in reducing the \$250,000,000 annual fire waste in this country. It will do so by educating the public through its 6,000 local agent subscribers whom it will assist by furnishing them the necessary information as to hazard and rate reducing appliances and methods. It believes that competition by rate-cutting is destined to become an obsolete practice and that the real basis of competition in fire insurance in future will be in reducing the real hazard and consequently the rate. The agent with the most expert knowledge of fire hazard and fire prevention appliances and construction will succeed over his less well-informed competitors. Rate-cutting is a confession of ignorance and incompetence. The adverse legislation in various states is the fault of the agents and companies that forced competition along the lines of rate-cutting rather than rate-reducing.

"The *Western Underwriter* seeks to assist the local agent to a knowledge not only of the make-up of rates, but of tried and approved appliances and means of assisting the assured to reduce his hazard, and has established a bureau of information through which it will answer any questions and furnish information regarding rate making, rate-reducing appliances and any and all subjects dealing with the cost of fire insurance."

### The Credit Man the Antithesis of the Newspaper Man.

AN ADDRESS BY ARTHUR D. WELTON, OF THE ST. LOUIS "REPUBLIC,"  
BEFORE THE ST. LOUIS CREDIT MEN'S ASSOCIATION.

Credit men and newspaper men are poles apart. They are extremes. Each is the antithesis of the other. They are mutual foils. If anyone had told me ten days ago that I was to talk to a collection of credit men, I would have looked him carefully over to see how big he was, and answered accordingly. As it is, I have misgivings. I feel I am in the enemy's camp. For two hours I have been mustering up all my courage—exercising all my powers of self-restraint. My impulse has been to crawl under the table, or climb the wall in search of a place of concealment. Since last Monday I have had to have daily assurances that I would be in no danger and I have been scared—awfully scared. I never expected to get into an assemblage of credit men and get out alive. I never before approached a credit man on my feet. On rare occasions I have crawled before one—humbly, contritely, with supplicating mien—on my belly. I don't know at what instant some one of you may sidle up to me and tell me my rent is overdue. When I came in I met a man who looked at me as if I hadn't paid my tailor. I wonder how he knew it. I want to say right now, if my grocer is present—in person or by attorney—that my wife runs the culinary department and I don't care if she doesn't pay the bills. There are enough others I am trying not to pay. I believe firmly the woman should run the home. As a diligent reader of the *Ladies' Home Journal* I know that a family of four and the dog can live on \$3.27 a week, and the grocer can look out for himself. The West End grocers can and do. That is why these hold-ups attract so little attention. We are used to it. I suggested to a policeman that if he would round up the West End grocers he would have all the highwaymen. "No," he replied, "the butchers would be left."

You will readily see that I am overawed in the presence of an august organization, which is on terms of intimate familiarity with something I have been forced to worship at a distance—a very long distance. I mean, of course, credit. To me it seems desecration to touch and handle this delicate and diaphanous thing the way you do. It is like the founder of the Ananias Club and the United States Constitution. Every one venerates the Constitution. We speak of it as the palladium of our liberties and stand far off and bow down to it, but this man goes at it like a rough rider and takes it to the nearest woodshed, where he outrages it repeatedly. Credit is really not a thing to be trifled with. It is much more important, I have heard, than money. I don't know from experience, but if people imagine that trade, industry and commerce go on with the aid and use of money, they are plainly mistaken. Trade, commerce and industry are in the main operated through the use of credit, and the instruments which credit has devised, such as promissory notes, bills of exchange, drafts and checks. These are all made effective through the office and function of the bank. A bank is only incidentally a dealer in money. It is above all a dealer in credit. Lyman J. Gage told me that, so I suppose it is true.

Now, this delicate and susceptible abstraction is not to be treated as a football and scrimmaged over. I have a lurking suspicion that your familiarity with it has bred, as usual, a certain contempt. Of course, I know your aim is to guard and protect credit, to make it

exclusive, to insure its immunity from reckless assault, to keep it from contact with the unappreciative and ignorant. But do you do it? What one of you has not at some time been guilty of leaving it out on the front porch over night; what one of you has not intrusted it to some brute of a man who has treated it as if it were the Federal Constitution? And yet, it is your continuous effort to put credit where it will be kindly cared for and allowed to eat with the family. You think of the man to whom you intrust the tender, gentle thing as its custodian and protector. But has it never occurred to you this modest sucking dove may turn, like a Frankenstein monster, and strike down its proprietor.

Well, it does. It is a matter of daily occurrence that some poor, weak, erring man, who has become the possessor of credit, falls because he is. Credit often grows to destructive proportions. Many a hundred dollar man is struggling along against a thousand dollar credit. He has been taught that the way to win is by getting still more credit. *Similia similibus curantur*, always says when the plot begins to thicken. But it doesn't. Credit gets a scissors and half nelson and the poor man is down with the referee in bankruptcy reaching for his fees.

To my innocent mind credit is one of the worst things a man may have—thrust upon him. It is a temptation to which St. Anthony would hardly have turned the other cheek. It blows in on perfumed winds. It calls with siren voice. Its spell, like Cleopatra's arms, drifts round its promised victim. Its breath falls in scented waves. And just as the last snuggle comes, suddenly and without warning, another poor devil is two points down. He doesn't often get up. How many victims does credit claim in a year? How many failures are recorded? Then double that number and quadruple the result. Of course, there are compensations. When he told me that other stuff, Lyman J. Gage also told me that a man with credit needs no money. That is tremendously important to the man who has no money. Isn't it? If he can get credit his lot ought not to be a hapless one. That's logic and political economy, and ethics, and all that sort of thing. In the books it has a splendid look. But in practice it is bad—all bad. You must be very careful about how you give credit to the un-elect. You know, perhaps, that a reporter begins very early in his career by buying a suit of clothes and having it charged. It has to be very early in his career—when he is unknown—and the blush of innocence is his to command. He has credit and no money. And he gets the suit of clothes. This is where the insidious and soul-destroying doctrine begins to get in its work. It is the undoing of every newspaper man. He is always one suit behind. He never catches up. He never can. He has to pay for one suit before he can get another, and when he gets another he is just where he was before. It is cruelly disheartening. One of our poor boys left his clothes—his one suit—on the chair the other morning when he went to bed. The chair was near the window; the window was near the fire escape. A West End grocer out on one of his tours collecting anything not riveted down did the rest. I am sure it was a West End grocer, with the butcher at the bottom of the fire escape cheering him on because it was such a complete clean up. Anyway, whoever it was, he got the reporter's pants, which he called his trousers; his vest, which he called his waistcoat; and his coat and sox and his underwear and his shirt, and most horrible of deprivations, his carefully hoarded car fare.



Do you realize the tragedy of it? The balance of a dozen years was ruthlessly destroyed. Without warning—with no possible means of anticipating such a calamity—this reporter was instantly put two suits behind. That initial extension of credit was the direct cause of his downfall. I don't know what he is going to do about it. The united talent of the profession, assembled in solemn caucus, was unable to solve the grave problem. Meanwhile the reporter is in bed, waiting and hoping. He can't start over again, because if he blushed no one would believe it. If he hadn't used up his quota of credit in the beginning he would have it in this dire emergency. As it is, he has neither credit nor clothes. Can you imagine a greater predicament—a more tantalizing dilemma? And yet here is an honest young man who has been devoting a dozen years to the difficult and arduous task of maintaining his credit, instead of being philosophical and insisting that his credit maintain him. It is for this reason that I wish to caution you about how you hand credit around, especially to the uninitiated. It is bad for them. When you are tempted think of the unfortunate reporter I have been telling you about. Think of him as he is there—dejected and bereft, disconsolate and pajammed—waiting, hoping, straining his eyes toward the horizon of the future, where all is blank—think of him—a martyr to credit, doomed to endless imprisonment—in the Blue Grass Hotel.

#### **Some Recent Activities of the Post Office Department Looking to Protection of Credit Grantors.**

Some of the notices the Association has recently published in its general letters and BULLETINS in which were presented the names of parties whose communications it was desired to have filed in the National office, have given excellent material to lay before the post office officials upon which they have begun prosecuting for the fraudulent use of the mails.

Notable among these is the Empire Stores Company, Gadsden, Alabama, mention of which was first made in the June BULLETIN. After making a "killing" under that name, operations were transferred to Winchester, Virginia, where a store was opened under the name of Winchester Dry Goods Co. Here, as explained in the September BULLETIN, the post office caused the arrest of Thorp and James, promoters and managers of both Gadsden and Winchester enterprises. Members contributed largely to the evidence which led to their arrests.

Again early in August attention was called to what looked like a genuine swindling game being carried on in the various townships in Alabama under several names. Glowing statements were given the mercantile agencies on the basis of which, it appears, considerable merchandise was secured. The statement furnished Bradstreets showed assets of \$14,000, liabilities of \$560, or net surplus, \$13,440. Among the assets were notes and accounts receivable \$6,000, cash on hand and in bank \$3,000, and present value of real estate \$4,500. Morse claimed his real estate was located at Tulsa, Oklahoma, and Bradstreets at once tried to find the property without success.

The post office authorities now report that one J. Morse has just been arrested at Petersburg, Tennessee, for fraudulent use of the mails. He had previously done business at Ashland, Tennessee, under the name H. J. Carville, and had also been with York Mercantile Company, of York, Alabama, a name which had earlier been



reported to us. The trial of this case occurs this month and authorities want to secure all communications issued over any of these names to use at the trial; if possible, also the covers under which communications were received, should be sent. Do not delay sending same to the Association office.

The National office recently gave publicity to the case of E. D. Eiger doing business as the "Leader Store" at Cashton, Wisconsin, which resulted in a crop of complaints. Eiger was arrested charged with the fraudulent use of the mails. He was released on \$800 bail which he furnished in cash. When his case was called for trial September 18th he failed to appear and the bail was declared forfeited. It is claimed that Eiger did business at Middletown, Illinois, during the early part of 1907, under the name of L. Bear, and some months later at Darien, Wisconsin, as B. Katz. Members knowing anything about this party are requested to communicate with the National office.

#### **A Point of Comity in Asking for Credit Information.**

The National office received the other day from a member doing business in one of our largest centers, a complaint that a banking house located in a smaller city upon being asked for credit information regarding a house located in the latter place exacted a fee of fifty cents for their services and this in spite of the fact that both inquirer and inquired of were members of the National Association of Credit Men.

There are many who would condemn the bank without hesitation. They would say "Does not the Association stand for free and generous exchange of credit information? Is not the bank's action absolutely at variance with this foremost principle for which we stand?"

To such questions it is fair to reply that the Association has done much to promulgate the principle of credit exchange but no principle can be made to endure unless there is justice for all in its workings. There are unquestionably many who overwork the principle. They gather information from hither and yon without giving a thought to reciprocity of favors when it is easily in their power to act reciprocally.

Banks are, of course, in a position to be used perhaps more than any other line of business. They are not, as a rule, opposed to be given as a reference, and in such cases will, with few exceptions, answer all inquiries, but there are plenty of credit men who think they are well within their rights when they seek to map out a campaign of business in a certain town and in preparation therefor, simply send a list of names to all the banks in town to ascertain what houses it is worth while to seek business from. Cases which come under this heading surely should be on some basis of comity.

Here is what the banking house referred to above writes on this question:

"Up to a short time ago we replied to letters of inquiry we received, paying especial attention to those marked 'We are members of the National Association of Credit Men.' Of late, however, we have thrown them in the waste basket or asked for a remittance for several reasons:

"*First*—We find that these houses at the same time write to every bank in town.

"*Second*—We find that houses that ask us to give them this information often send local items to some other bank.

"Third—We regret to say we have known cases where confidential information of this kind, has come back to the party reported on, either through the house or more likely their traveling men.

"Fourth—We were once asked to pay a bill for credit extended on the strength of a report made by us, so they claimed, although it was to the effect that we had never heard anything against the party but did not know him. We did not pay.

"Now if the National Association of Credit Men would publish a list of the banks willing to reply to requests for reports and the members would send their collections to those banks, it would be to the mutual interest of the credit men and the banks."

And in a subsequent letter the same banker said:

"Where one of our customers refers to us we reply to inquirers, except to reporting agencies, who make a charge. We also answer all inquiries that come from banks and we shall be glad to reply to inquiries from credit men if they will state that they are inquiring of us alone and will reciprocate by sending their local business to us."

Is there not shown in these two letters a desire to act with genuine fairness?

Is not the spirit of reciprocity and comity between members here outlined exactly that for which the Association should work?

All things being equal the banks which are members of the Association should receive what local business the credit men who are members can offer. The chances are that such banks have a better understanding of the objects of the Association and are in fuller sympathy with them. If to this is added the willingness on the part of members to reciprocate for courtesies extended to them, then we have the principle of free and generous exchange of credit information on a solid and enduring basis. •

#### **How One Debtor Made the State Exemption Law Work for Him.**

The exemption law of Georgia allows the head of a family \$1,600, which may be for real property or personal property or mixed. M. Sternberg, of Savannah, incidently passed through bankruptcy after a long series of various kinds of financial mishaps, laid claim to and was allowed his \$1,600. This happened sometime in 1907 and, being relieved of his load of debt, Sternberg proceeded to engage in business again. He had little difficulty in promptly establishing a new line of credit but ill luck as a manager appeared to hover over him, for before long his new creditors began to worry about their pay.

One day the sheriff arrived, but his appearance did not disconcert Sternberg, who, instead of tearing his hair and bemoaning his misfortune, with quiet composure informed the sheriff that his property to the value of \$1,600 was exempt from execution. Subsequent developments proved that Sternberg was well within his rights in commanding the sheriff to keep his hands off, for the creditors in an action which they brought were defeated in their attempts to gain possession of the property. The court decided that the fact that Sternberg had only two years before in bankruptcy proceedings been granted the full allowance of exemption, did not bar him from claiming a like allowance a second time.

Here was a curious state of affairs, for while Sternberg could not apply for another discharge in bankruptcy, six years not having elapsed since his petition had gone through, yet apparently he held a winning hand, for the state laws gave him the means of holding securely \$1,600 worth of assets. In the end, however, Sternberg did not profit by the transactions, for a judgment was obtained against him on home-

stead waiver notes which resulted in the property being sold under execution. All of this goes to show what an important part in credit matters the exemption laws play.

### Can You Assist in Finding These Debtors?

It will be appreciated if those who have any clue to the present whereabouts of the following, communicate their information to the National office:

M. H. Daveson, who started in business at Utica, New York, about March 1, 1909, suddenly abandoning his business about August 1st;

S. S. Weinstein, formerly of 547 Brook Avenue, Richmond, Virginia;

Theodore J. La Montange, formerly at 3527 Broadway, New York City;

Jas. P. Baldwin, who recently did a hardware specialty business at 66 Lake Street, Chicago, Illinois, ordering goods from various points in the East and Middle West;

Samuel Feldser or his mother Rosa Feldser, who in January, 1904, conducted a general notion, dry goods, clothing and suit business at Pottstown, Pennsylvania;

O. A. Carr, who for some years did business at Middletown, Connecticut as an electrician, now said to be in California;

Worth and Erickson, a firm made up of Charles Worth and Paul E. Erickson, formerly at 109 Larned Street, W. Detroit, Michigan. Previously said to have been at Duluth and to have gone from W. Detroit to some point in New Jersey. At Detroit, was in business of supplying hotels and steamboats;

Sidney H. Barnes, formerly in the shoe business at Marceline, Missouri, supposed to have gone to Kansas City;

J. C. F. Holcomb, formerly of Minneapolis, Minnesota and supposed to have moved to Portland, Oregon. At Minneapolis acted as manufacturers' agent, also was employed by knitting mills as salesman and was interested in a pickle manufactory;

W. Gordon, formerly of Wolcottville, Indiana, under the name "Bazaar Store," later said to have shipped his stock to Detroit;

Geo. Lorance, formerly of Speed, Phillips County, Kansas. During 1908 business was conducted under the name P. Y. Lorance & Co.;

M. Goldberg, who had an address at 715 Michigan Avenue, Detroit, said to have come from Milwaukee;

H. F. Stensloff, recently of Edmunds, North Dakota;

E. Moody & Co., or R. B. Moody, Mallory and Durban, South Carolina and Marietta and Proctorville, North Carolina;

Kit Clements, Clementsville, Tennessee;

J. C. Harrell, formerly of Orange, Texas;

Frank Cicack, formerly in the grocery business at 414 Marshall Street, N. E. Minneapolis, Minn.;

Geo. Marsh, formerly in the grocery business at 217 E. 26th Street, Minneapolis, Minn.;

Chas. Chatterton, formerly in the grocery business Richmond Hotel, Minneapolis, Minn.;

C. Braman, formerly in the grocery business at 607 Fifth Street, N. Minneapolis, Minn.;

Ellingson Bros., formerly in the general store business at Madison, Minn.;

F. Knoosheizen, formerly in the grocery business at 2322 Lyndale Avenue, Minneapolis, Minn.;

John Falk, formerly in the grocery business at 2535 Bloomington Avenue, Minneapolis, Minn.;

M. Lindberg, formerly in the general store business at Annandale, Minn.;

A. L. Dickman, formerly in the general store business at Hewitt, Minn.;

Otto B. Hjelm, formerly in the general store business at Holmes City, Minn.;

L. M. Northcraft, formerly of Iowa Falls, Iowa, thence moved to Aberdeen, South Dakota;

A. C. Fahnestock, formerly in the steam laundry business in Wheeling, W. Va., coming there from Pittsburgh, Pa.;

D. Penn, formerly in the cleaning and dyeing business in Wheeling, W. Va., coming there from Cincinnati, Ohio;

Goldberg & Fulton, who until three months ago were in the men's furnishing business at 1619 E. Lake Street, Minneapolis, Minn.

J. A. Brown, formerly in cigar business at Washington C. H., Ohio, then went to Wilmington, Ohio;

A. J. Miller, formerly of Seabreeze, Florida;

T. Frost Barrett, formerly of Memphis, Tenn., afterwards heard of at New York City;

C. E. Rice, formerly in the electrical specialty business at Omaha, Neb., afterwards becoming a salesman for a Kansas City house.

#### **Again Busy Handing Out Orders.**

Morgan McNutt, of Saragossa, Alabama, evidently knows how keen every normal business man is to get orders and he is willing to do his share in gratifying that well recognized desire. The government has not altogether sympathized with McNutt in his propensity to distribute orders so generously by means of its postal system, in view of his equally great propensity to forget to pay for shipments and with considerable ceremony marked by persistent protests from McNutt, shut him up for six months in a famous government institution. These resorts are presumed to have a quieting effect upon generous men of the McNutt type, but either the time given was insufficient for conversion or else McNutt was more than usually set in his ways.

Whichever or whatever may be the real reason, conversion in his case had no deep rooted permanency. When he again returned to Saragossa, he bought, probably borrowed a business directory which evidently contains the name of every first class wholesale house in every line of business known to man and again is distributing orders with the liberality that only a McNutt could display. The orders sent our members are being forwarded to the National office. They come from all over, and it begins to look as if our files would be clogged with his handiwork. Almost invariably the prayer is, "Send the goods by express prepaid to insure prompt delivery."

As one member who has been especially favored writes, "I don't believe anything but a club will stop him from sending in his swindling mail orders." Some one out of charity should send him the latest copy of the membership roll of the National Association of Credit Men and advise him to scratch its members out of his mailing list.

We advise that all continue to send the National office any orders



received from McNutt, and endeavor to send also the envelopes in which orders are enclosed.

### **Middle West's Banking Power.**

*(From the New York Commercial.)*

From figures compiled by Charles G. Dawes, a former comptroller of the currency, and presented in very interesting form in the September number of *The World Today* it is learned that since the year 1900 the banking power of the Middle West has increased 118.96 per cent., while for the United States as a whole the increase for the same period has been only 65.11 per cent.; by "banking power" is meant the combined capital stock, surplus, undivided profits, individual deposits, and, in the case of national banks, the circulation outstanding and the government deposits; so it appears that the Middle West—that is Ohio, Indiana, Tennessee, Illinois, Kentucky, Michigan, Wisconsin, Minnesota, the Dakotas, Iowa, Nebraska, Kansas, Missouri, Oklahoma and Arkansas, sixteen states lying wholly or in part within a circle with a radius of five hundred miles, having Chicago as a center and being tributary to that city in finance and commerce—has in the past eight years or so gained in banking power almost twice as much as has been the gain for the country-at-large. It is not surprising, therefore, that nowadays less and less is heard about sending money from the East to the West with which to "move the crops." The West herself has most of the cash needed for that purpose and for others as well. In 1890 this banking power of the Middle West was only \$1,429,319,000. In 1908 it was \$4,988,244,000, or 28.52 of the entire banking power of the country. The volume of clearings in the banks of the Middle West in 1890 was nearly \$9,000,000. In 1900 it was over \$14,000,000. In 1908 it was more than \$25,000,000. In eighteen years the percentage of increase in clearings was 181.12.

This Dawes compilation discloses also that, while in 1890 the banking power of the state banks in the Middle West was less than one-half that of the national banks in the same territory, in 1908 it had so increased as to be nearly equal that of the national banks; the latter show a gain of 184.11 per cent., but the state banks show a gain of 521.26 per cent. Loan and trust companies, while occupying a position of much less importance than either, gained during that period 1218.75 per cent. in banking power. The *Boston Herald* thinks that it discerns in the latter facts a disorganization of the banking power in the region named; they indicate, it declares, "a lack of confidence in national banks which is unfortunate. They suggest, if they do not prove, inefficiency in the national banking system. No reform will be adequate which does not obviate the necessity for state banks and private banks and which does not, by enlarging the powers of the national banks and by readjusting the national banking system to the needs of business, turn the tide of banking power into the common channels of a nation-wide system."

Mr. Dawes' figures will not be generally so interpreted in the banking and business world. The increase in state banks and trust companies has been phenomenal in other sections of the country during recent years, but it has not been attended by any noticeable popular distrust of national banks; the facts, however, do disclose that capitalists with money to invest in banking enterprises sense fully the inadequacy of the national banking system.

It is easy, on the other hand, to agree with the *Herald's* opinion that the Middle West's appreciation of its own banking strength ought to, and probably will, operate to dissipate the foolish notion prevalent there and elsewhere that the movement for the establishment of a central bank of issue under a remodeled currency system is a scheme of the grasping and selfish "money kings of Wall Street." "The bankers of the Middle West," it says, "not only are strong, but they are also confident in their strength. Talk of Wall Street domination may do for some people, but they know that 28 per cent. of the banking power of the country can not be ignored; and if a central bank is organized with capital stock distributed among the national banks of the country according to capital or banking power, they know that the voice of the Middle West will be heard in its management and will be listened to."

That the Middle West will eventually be found among the most militant supporters of the central-bank proposal is easily believable.

#### **Discharge from Bankruptcy Refused Because of Failure to Keep Accounts.**

Judge Holt, of New York, recently denied a discharge from bankruptcy to Oliver O. Howard, mining promoter, of New York, who filed a petition in bankruptcy on January 2, 1908, with liabilities, \$41,828 and unavailable assets, because he did not keep books of accounts from which his financial condition could be ascertained. His discharge was opposed by two creditors of Battle Creek, Mich., the National Bank of Battle Creek, \$28,565, and Edwin C. Nichols, \$12,480, both for loans upon his notes secured by stock in the Ratcliff Mine, of California.

The judge said in part that before the failure of the Ratcliff Mine in 1900 Howard kept full business books and check books. Since then, although he had been engaged in various enterprises and admitted that at least \$100,000 has passed through his hands, he had kept no books of account or check books. He deposited all moneys in his wife's bank account. He drew checks against this account on a written authorization from his wife by checks. These checks he took from a bundle of loose checks carried in his pocket.

He kept a memorandum of his deposits in a little pocket memorandum, which he destroyed after a few months. He produced bank statements rendered from time to time, with checks attached, which include indiscriminately all deposits and all withdrawals made by him and his wife. These are not accounts or records from which his financial condition can be ascertained and the judge thought the proofs show that he has failed to keep such accounts with the intention to conceal his financial condition. It was very improbable, thought Judge Holt, that an intelligent business man, depositing in a bank large sums of money, some of which he asserts belonged to other persons, and drawing checks on such account in his regular business who has been accustomed for years to keep full and accurate books of account of his business, should suddenly cease to keep any books, and should not even keep a check book with the usual records on the stubs, unless it was his deliberately formed intention to conceal his financial condition.

He had a motive to do this in view of his liability on the notes, and the judge thought that the grounds on which Howard denied liability on those notes, notwithstanding his repeated admissions of liability in correspondence about the time the notes accrued, is sug-

gestive in this connection. The evidence of his alleged gift of the Mount Shaster mine to his wife was unsatisfactory and suspicious, but it was unnecessary to consider it in detail, as the first specification, in the judge's opinion was established.

### **Some Questions Filed With the Association's Legal Bureau.**

A member of the Association having a small account against a debtor in a small Michigan town learns that he has disposed of stock in bulk omitting our member's name from the sworn list of creditors given to the vendee. The question arises in consequence: Is the vendee protected? As a practical matter and assuming that our member is the only creditor omitted, the vendee is undoubtedly protected. It is, after all, a matter of fact in any event and not of law as to whether a debtor has done his best to meet the requirements of the bulk sales statute, and as a rule, it will probably be found that he can escape on the ground of inadvertence if he fails to include one or two names.

The object of the law is two-fold, first, to give notice so far as may be to creditors when a debtor is proposing to sell out his stock in bulk; second, in case of actions by the creditor to set aside the sale, or enforce a constructive trust against the vendee, it throws the burden of proof upon the defendant to show good faith. In the absence of the bulk law, the burden is on the creditor or plaintiff to show bad faith or an intention to defraud on the part of the debtor. This has always been the great stumbling block in actions of this sort, and the bulk sales law has gone a long way towards remedying that situation. It is unquestionably imperfect, as in the instance pointed out by the inquirer, but so is every law.

The inquirer notes that no penalty is provided in the Michigan act for failure to make a complete list. It was the subject of numerous and protracted conferences, not only amongst the lawyers interested in the drafting and passage of these bills, but on the part of the legislative committees in nearly every state as to the question of penalty, and it was found by practical experience in getting this law passed in the various states, the state legislatures being adverse to the passage of laws of this kind containing penalties other than perjury. Furthermore, it was evident from the opinions handed down by various courts of last resort who passed upon these laws that they looked with an unfriendly eye upon laws of this character which were too drastic. The result of all this has been that counsel has recommended a form of law in which the punishment was not too severe.

In the case cited, however, even an attempt to get the debtor punished for perjury in swearing that it was a complete list, when as a matter of fact one or two creditors were omitted, would fail before a jury who would invariably give the accused the benefits of the doubt.

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Another member asks if a corporation which has not fully complied with the laws of Texas for instance, due to what seemed excessive requirements, had occasion to institute proceedings to recover on a claim, could assign its claim to a resident attorney or individual of the state of Texas and improve its chances toward recovery of such claim.

In reply the legal department quotes that part of the Texas statute prohibiting a foreign corporation which has not complied with the laws of the state from suing, as follows:

It is easy, on the other hand, to agree with the *Herald's* opinion that the Middle West's appreciation of its own banking strength ought to, and probably will, operate to dissipate the foolish notion prevalent there and elsewhere that the movement for the establishment of a central bank of issue under a remodeled currency system is a scheme of the grasping and selfish "money kings of Wall Street." "The bankers of the Middle West," it says, "not only are strong, but they are also confident in their strength. Talk of Wall Street domination may do for some people, but they know that 28 per cent. of the banking power of the country can not be ignored; and if a central bank is organized with capital stock distributed among the national banks of the country according to capital or banking power, they know that the voice of the Middle West will be heard in its management and will be listened to."

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He kept a memorandum of his deposits in a little pocket memorandum, which he destroyed after a few months. He produced bank statements rendered from time to time, with checks attached, which include indiscriminately all deposits and all withdrawals made by him and his wife. These are not accounts or records from which his financial condition can be ascertained and the judge thought the proofs show that he has failed to keep such accounts with the intention to conceal his financial condition. It was very improbable, thought Judge Holt, that an intelligent business man, depositing in a bank large sums of money, some of which he asserts belonged to other persons, and drawing checks on such account in his regular business who has been accustomed for years to keep full and accurate books of account of his business, should suddenly cease to keep any books, and should not even keep a check book with the usual records on the stubs, unless it was his deliberately formed intention to conceal his financial condition.

He had a motive to do this in view of his liability on the notes, and the judge thought that the grounds on which Howard denied liability on those notes, notwithstanding his repeated admissions of liability in correspondence about the time the notes accrued, is sug-



gestive in this connection. The evidence of his alleged gift of the Mount Shaster mine to his wife was unsatisfactory and suspicious, but it was unnecessary to consider it in detail, as the first specification, in the judge's opinion was established.

#### **Some Questions Filed With the Association's Legal Bureau.**

A member of the Association having a small account against a debtor in a small Michigan town learns that he has disposed of stock in bulk omitting our member's name from the sworn list of creditors given to the vendee. The question arises in consequence: Is the vendee protected? As a practical matter and assuming that our member is the only creditor omitted, the vendee is undoubtedly protected. It is, after all, a matter of fact in any event and not of law as to whether a debtor has done his best to meet the requirements of the bulk sales statute, and as a rule, it will probably be found that he can escape on the ground of inadvertence if he fails to include one or two names.

The object of the law is two-fold, first, to give notice so far as may be to creditors when a debtor is proposing to sell out his stock in bulk; second, in case of actions by the creditor to set aside the sale, or enforce a constructive trust against the vendee, it throws the burden of proof upon the defendant to show good faith. In the absence of the bulk law, the burden is on the creditor or plaintiff to show bad faith or an intention to defraud on the part of the debtor. This has always been the great stumbling block in actions of this sort, and the bulk sales law has gone a long way towards remedying that situation. It is unquestionably imperfect, as in the instance pointed out by the inquirer, but so is every law.

The inquirer notes that no penalty is provided in the Michigan act for failure to make a complete list. It was the subject of numerous and protracted conferences, not only amongst the lawyers interested in the drafting and passage of these bills, but on the part of the legislative committees in nearly every state as to the question of penalty, and it was found by practical experience in getting this law passed in the various states, the state legislatures being adverse to the passage of laws of this kind containing penalties other than perjury. Furthermore, it was evident from the opinions handed down by various courts of last resort who passed upon these laws that they looked with an unfriendly eye upon laws of this character which were too drastic. The result of all this has been that counsel has recommended a form of law in which the punishment was not too severe.

In the case cited, however, even an attempt to get the debtor punished for perjury in swearing that it was a complete list, when as a matter of fact one or two creditors were omitted, would fail before a jury who would invariably give the accused the benefits of the doubt.

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Another member asks if a corporation which has not fully complied with the laws of Texas for instance, due to what seemed excessive requirements, had occasion to institute proceedings to recover on a claim, could assign its claim to a resident attorney or individual of the state of Texas and improve its chances toward recovery of such claim.

In reply the legal department quotes that part of the Texas statute prohibiting a foreign corporation which has not complied with the laws of the state from suing, as follows:

"No such corporation (one which has not complied with the statute) can maintain any suit or action, either legal or equitable, in any of the courts of this state, upon any demand, whether arising out of contract or tort, unless at the time such contract was made or tort committed, the corporation had filed its articles of incorporation under the provisions of this chapter in the office of the Secretary of State for the purpose of procuring its permit."

This statute, as will be seen, simply prohibits the bringing of suits by the corporation in the courts of the state of Texas. It is fair, therefore, to say that there are two courses open to the inquirer, namely, to assign the claim to a resident of Texas who could sue upon it and recover, or bring the suit in the United States Circuit Court.

It has been held in several states that a statute worded as this one is, does not permit the suit by an assignee, and the United States Circuit Court in several instances has held that it will not refuse jurisdiction or an action when the statute simply prohibits the bringing of suit to the state courts.

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#### Case of "Edward Singer," Arrested for Alleged Fraudulent Use of Mails.

The case of Edward Singer, arrested by the federal authorities for alleged misuse of the mails and released on \$3,000 bail, contains much to encourage the conclusion that the government is effectually getting after those who use the mails to defraud creditors. According to the evidence, Singer has been living well in Chicago at the expense of a number of eastern clothing and woolen jobbing houses. Under the name of Edward Singer he had an office at 260 South Clark Street, but a few months ago he is said to have rented an office at 160 Adams Street, and hung out his shingle as "A. L. Singer & Co."

Right across the street at No. 173 is the firm of A. L. Singer & Co., merchant tailors, who have been in business in Chicago for a number of years. "Edward Singer" it is charged wished to convey the impression that he and this company were identical. Then he went East. Upon one pretext and another he made arrangements with a number of houses to act as Chicago representative. As such he had samples and merchandise shipped to him, which promptly disappeared.

But apparently his plans had only begun to work when a cog slipped and an order for about \$375 worth of merchandise from Pack Bros., of Philadelphia, was delivered by mistake to the real A. L. Singer & Co. across the street. This company immediately notified Pack Bros. that it had ordered no merchandise and advised them it might be a mistake as another A. L. Singer & Co. had recently opened across the street, but that the latter's office was always kept locked and that A. L. Singer & Co. knew nothing about their namesake. This aroused the suspicion of Pack Bros., who began the investigation which ended in Singer's arrest. It seems a similar mistake was also made in the case of H. Katz & Co., of New York, who shipped merchandise, which was delivered to the other house.

When questioned as to why he had opened an office under style of "A. L. Singer & Co.," the man who gave his name as Singer said he had a son who was originally the head of the company and whose name was Andrew L. Singer. But, it is said, he was unable to produce the "son."

"Ed Singer, whose right name is Ed Lustig, came to America in 1890 from Budapest, Hungary. He was employed for a time as a salesman in a dry goods store in New York city, and in 1893 opened up, under the name of Ed Lustig, at No. 7 St. Marks Place, New York, a steamship ticket and exchange office, obtaining funds from his countrymen to be transmitted to their home country, which funds he diverted to his own use. When it became too warm for him he skipped to Montreal, Canada, engaging in business in that city under style of Singer White Ware Co., later Singer Hat & Cap Co., with his wife as proprietor, and afterwards as Julius Singer & Co., finally, in 1898 said to have left Montreal suddenly, taking a train two stations out, landing in Chicago without any money. There he took the name of Ed Singer and worked in Chicago for wages for some time, then started a commission business with a partner under the name of Singer & Hillman, and in 1903 started a cloak business on W. Madison street, subsequently started a branch store at Milwaukee avenue, made an assignment in the fall of the same year, subsequently through relatives bought up the assets and incorporated the Fashion Cloak Co., lasted a short time and a receiver was appointed.

About the first of 1905 he engaged in the bank business under the name of Public Trust & Savings Bank, at 475 S. Halsted Street, but gave checks on his own bank which he could not pay, was arrested and indicted but effected settlement with the depositors and proceedings were dismissed. Next he made his appearance at No. 84 Adams street, calling himself Ed Singer, selling stock to his countrymen in the First Hungarian Oil and Mining Co., with an office at Cleveland, Ohio, but on advices of the federal authorities he discontinued his Chicago office, after which he went to work for the Boston Store until early this year, when he rented Room 420, Imperial Building, calling himself a manufacturer's representative and succeeded in securing a number of commission accounts in New York and other eastern cities, and in July last, took orders, from himself practically, under the name of A. L. Singer & Co., depending upon his principals shipping goods on the rating of the old firm of A. L. Singer & Co., at 173 Adams Street, the office of the spurious firm being in the Rand-McNally Building, across the street. The Roumania Textile Co., H. Katz & Co., New York, shipped him goods to the amount of \$374, but somebody at the railroad depot familiar with the old concern changed the street number, with the result that the shipment was delivered to the old firm. Singer subsequently succeeded in getting possession of these goods upon the representation that he was the Chicago representative of the Roumania Textile Co., which was so.

On complaint of this house Singer was arrested and was held to the grand jury on the bonds of \$2,000. The same concern made complaint to the federal authorities and he was later arrested, charged with using the mails to defraud, securing his release under a bond of \$2,500. The indications are he got comparatively small amounts of merchandise, some raincoats from an eastern concern, case of cheap gloves, possibly a few other packages. The charges against him for using the mails to defraud are being continued from time to time. That he will serve time on this count or that advanced by the Roumania Textile Co. there can be little doubt.

"The development of one's personality can not be accomplished in isolation or solitude; the process involves close and enduring association with one's fellows. If work were purely a matter of mechanical skill, each worker might have his cell and perform his task, as in prison. But work involves the entire personality, and the personality finds its complete unfolding, not in detachment, but in association."

## THOUGHTS ON WHAT MUST CONTROL WITH THE NEWER GENERATION IN CORPORATION MANAGEMENT.

BY THE HON. E. T. FAIRCHILD, BEFORE THE MILWAUKEE ASSOCIATION  
OF CREDIT MEN.

In considering the subject before us it was difficult to decide whether more good could be done by a discussion of internal management, or the external management of corporations. The owners of shares in a corporation nominally expect to have something to do with the management, and it is apparent that the public expects to be reckoned with.

I have temporized, and have arranged a sermon—it's always easy to preach a sermon—there may be different kinds of sermons. That reminds me of the story of an Indian who had been converted by the missionaries in the far woods of the West and he had started out on a circuit to preach. One day one of the villagers saw him starting out to walk apparently equipped for a journey. He called to the Indian and asked him where he was going. He said he was starting out on his round to preach. And how much do you get for preaching was the next question. Ten dollars a month was the reply. "Well, don't you think that is very small pay for preaching?" The Indian replied, "Damn poor preach."

On all men rests the responsibility for the maintenance and diffusion of sound, ethical standards. The longer I live, and the more I know of my fellow men, the more I appreciate the value in the world of a well developed sense of honor. You and I are beginning to realize that the most effective teachers of ethics are the men who are active in the affairs of the world—trade, professions and politics. These men being righteous can more than supplement the efforts of the pulpit, they can best influence the people to righteousness and justice. These men being unrighteous, can more than offset the influence of all noble teaching.

Corporations are not really soulless in the last analysis. They truly are as Chief Justice Marshall said: "Artificial beings, invisible, intangible, and existing only in contemplation of law," but a fuller and more complete description includes all its rights, duties and relations, the legal and equitable principles which control it in all its functions, and necessarily reach out to the managers. The idea of corporations seems to have originated with the Romans. Professor Sohm, in the institutes of Roman Law says, "In Roman law the property of the collective whole, and the debts of a corporation, are the sole debts of the collective whole. It represents a kind of ideal private person. It possesses as such, rights and liabilities of its own. It leads its own life, as it were, quite unaffected by any change of members. It stands apart as a separate subject or proprietary capacity, and, in contemplation of law, as a stranger to its own members.

The Romans discovered the notion of a collective person. They clearly grasped and distinguished from its members the collective whole as the ideal unity of the members bound together by the corporate constitution. By securing it a place in law as an independent subject of proprietary capacity standing on the same footing as other private persons, and laid the foundations for the idea that the corporation was without conscience and without soul.

And back of the shield "Incorporated" good men have stood. The separate and distinct existence of the corporation has its legitimate advantages, but with these comes opportunities for undue advantages. Mohammed laid down the rule as one indispensable for the righteous



guidance of man, "That which is lawful is clear, and that which is unlawful likewise; but there are certain doubtful things between the two from which it is well to abstain."

I have been told that in early times a certain railroad was endeavoring to secure some concessions, and a large sum of money was used under, to say the least, suspicious circumstances. An investigation was made and an unusually large amount of money was unaccounted for, the last place to which it could be traced being the office of one of the prominent officials, and when he was asked what had become of the money he said, "I am wilfully ignorant of what became of it." The officers in the case were fiduciary agents in morals, in fact, but not in law.

Although the state of the law as to how far directors are trustees is somewhat hazy, all directors of a corporation ought to feel under obligation to give their personal attention to the business of the corporation. They ought not to be wilfully ignorant of any transactions. They are responsible not only for their own wrong-doing, but also for the wrong-doing of others.

The public has an interest in all the influences that are at work moulding character and shaping destinies. One opportunity for serving the country is pointed out by President Eliot of Harvard: "The responsibility of corporations for the ethical training of their employees grows heavier and heavier in this country, as corporations become larger, and an increasing proportion of the working people of the country is found in the service of corporations. In a nation which puts every young man into its army or navy for two or three years, the army and navy can be used as schools of obedience, neatness, politeness, fidelity and loyalty. They are so used in some measure by European nations, though not adequately. In the United States the industrial army must perform this function instead of a standing army and navy; and the armies of industry are, on the whole, much better fitted for this function than the public forces trained for the savagery of war. Well managed corporations can provide admirable discipline in courtesy, neatness, punctuality, co-operation and loyalty, if only they systematically use judicious means for giving this ethical training. To organize these means and use them habitually requires foresight, wisdom, firmness and good temper in corporate management, and these qualities in the managers should be sought for and paid for. No corporate expenditure could possibly be more productive, from the business point of view, or more profitable towards the improvement of the national character. This is one of the directions in which corporate management should be ethical, and no management is truly ethical which does not make the employees better and finer men and women."

Let us ask what influence the act of the wilfully ignorant official has upon your son, as the nature of things must have had. To be sure, we can not trace it into the life nor show it to have been the direct cause of encouraging any one to transgression of the law. But in the nature of things must it not have had a most unfortunate influence. Such acts have had a tendency to bring about the public's attempt to manage corporations, and have been used by men to raise political issues. In the attempt to correct abuses, theories more or less practical have been devised, some of which are now of considerable embarrassment to all concerned.

There is much to be said on behalf of the proposition that there should be no water in the stock of public service corporations; yet, if this principle had been applied to all street railway and lighting companies

during the past thirty-five years, the public would have waited long for facilities which they have greatly enjoyed and profited by. In such enterprises there are often heavy risks, and success can come only through the address, energy, and steady, good judgment of the promoters and managers. Hence, men will not undertake them for ordinary return on safe investments. They must be induced to venture their capital and their capacity by a prospect of unusual returns.

Reasonable men are content to have ingenuity, skill and knowledge in discovering resources and organizing industries, reap a considerable immediate reward in the case of new undertakings, because they realize that the laboring classes in common with the entire community, reap advantages from all successful industrial undertakings; but the public now has the habit of discussing prices and the elements that go to make up the basis of the price, with the presumption against the corporation. A portion of the public has come to believe that the corporation is soulless. In the management of any enterprise a reputation for integrity is highly prized, a reputation for fairness is worth much. And being fair with employees and with the public is an obligation equal to the right of returns on investments.

But the point I want to reach is the temper of the public, and our duty, public opinion, as found in the daily speech and conversation of our cities, is the great controlling force in our government. Sooner or later, public officials surrender their opinions, if they differ with the popular opinion, or are relieved from service. The demagogue may by catch-words and high-sounding phrases rise to power, but corporate management can not furnish as many issues in the future as it has furnished in the past if its managers are mindful of the fact that their individual salvation, and the business integrity of our whole system depend upon their abstaining from the questionable things that are between the clearly lawful and the clearly unlawful.

## **FIRE INSURANCE AND PREVENTION AS RELATED TO CREDIT.**

**By Powell Evans, Philadelphia, Pa., Chairman of the Fire Insurance and Prevention Committees of National Association of Credit Men, National Association of Manufacturers, National Hardware Association of United States.**

**AN ADDRESS DELIVERED BEFORE THE FORTIETH ANNUAL MEETING, FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST, CHICAGO, ILLINOIS, OCTOBER 7, 1909.**

I was engaged in the pleasant pastime of studying the cold facts and high questions of the Matterhorn in Switzerland this summer when your very complimentary invitation arrived to address this meeting. The original impulse—which my latter judgment would still approve—was to decline, because I do not pose as an expert on these matters, and there was not time after return to become one; hence the reasonable doubt whether I could suggest any new thought to you or clothe any old one in a novel form. My excuse then for appearing is the possibility of presenting a view from a new peak which may contribute to perfecting the panorama of the subject in hand.

This subject is so large that it touches all developed property and the whole of the commerce of the country, and one would neces-

sarily be superhuman to have an authoritative opinion of it all; hence as briefly as may be I will reach my own viewpoint.

Insurance and its antithesis fire loss is not necessarily a dry subject, as the salvage corps can testify, but it is certainly a serious one and should be discussed more with a view to interesting than entertaining you.

There is little need to indulge in definitions. Credit is a derivation from the latin "credo"—I believe. It is the belief that any obligation will be met as agreed. It embraces the moral as well as the material obligation. Its warrant is sealed by the fact that the obligation incurred is finally met. Between incurring and meeting an obligation lies that gulf of the unforeseen which we bridge by hope and belief—whose values are measured by our resources, knowledge, caution, courage, energy and good intent. Yet with all these present in quantity and quality we must still allow for the elements of the unexpected and the uncontrollable. Add the total of these last named and add further the cost and reward for providing surely and adequately against them and the result is the cost of insurance, which by methods known to all is distributed as a tax over the country at large. It follows clearly and logically that insurance is an essential in sound credit—always against the elements which experience has shown on the average to be dangerous. The creditor in any form should justly be relieved of the risk of accidental or elemental destruction of the basic security after taking the moral and commercial risk commensurate with the return even without such destruction being considered. On such a limitation of risk only can average solvent credits be continuously extended. The borrower who neglects or declines to insure should justly pay the usual charge for credit plus the cost of insurance in each case. Hence the obligation for insurance in all mortgages and deeds of trust and the wisdom of demanding it on all buildings and personal property and merchandise used as a basis for loans or credits from banks or generally in commerce.

I therefore believe that in principle and practice safe insurance and sound credit are inseparable in solvent commerce. Self interest as well as this principle have worked to make the use of insurance almost universal, but the average banker and merchant of the country yet find sufficient negligence on the subject to demand a sharp eye on this element of credit and should take deep interest in sound state laws regulating it.

Assuming, therefore, as an axiomatic premise, that insurance should be universal on destructible property, the logical conclusion is that insurance should be (1) safe and easy to buy, and (2) as cheap as controllable conditions permit. Insurance is a paradox in that it must be cheap yet dear, and easy yet difficult to obtain, that is so simple and sure in contract terms as to be understood by all, and so low in cost as to be purchasable on any reasonably good moral risk and physical fire hazard, yet so safeguarded against improper purposes and so dear on unduly hazardous property, that it may be almost unprocurable with commercial penalties to follow this condition.

The first point covers the whole range of relations between the insured, the agent, and the insurer—the proper form of policy and law relating thereto; the reasonable control of the broker; the energy of the survey and inspection bureaus; the financial condition and solvency of the companies, with public knowledge of their condition and their control by the state.

The second embraces the subject of fire loss and its cost, and fire prevention—in all its phases of building construction, protection and occupancy—to reduce this.

These relations are so ramified and interwoven as you well know that they can not be briefly set forth with any degree of clearness, nor is it necessary here to attempt more than a reference to the many details. All the great branches of political, financial, commercial and engineering problems are involved. The issue of paramount importance, it almost goes without saying, is the total fire waste and related losses with the resultant cost of insurance and the method to reduce both of these—in fact the broad subject of fire waste and fire prevention.

Now the special purpose I have in addressing you to-day as a merchant and manufacturer, and more remotely a banker, is to emphasize the fact that we already *know* that all these problems exist and one by one we know many practical methods of ameliorating them all. We have experts—individuals and bodies of men—who point by point can advise us authoritatively of all evils in this connection that are excessive and how to grapple with them. We know in fact a great deal about what is wrong, how it is wrong and how it can be bettered in detail. We recognize that the United States fire waste is notoriously ten times greater than in western Europe, and that it should be practicable to reduce it at least two-thirds—and yet it keeps growing and we have so far not succeeded in controlling or reducing it. Why? Because we are not all pulling together and in the same direction at the common load. That is a large part of the answer. It is the same message Æsop gave ages ago in his fable of the father who showed his sons that single sticks one by one could easily be broken, but bound together were unbreakable. It is the old motto, "Divided we fall, united we stand."

It will now be well to turn from a generalization to some particulars to sustain this view, and to analyze frankly the situation.

Insurance in this country up to the present time has been controlled more by the companies writing it than by any other force. They compose one of the strongest and most compact forces in trade. Organized very thoroughly everywhere, they are within the law yet above it in that they comply with laws passed to regulate and control them which are enacted often despite their opposition, yet by virtual combined control of a necessity by private and unincorporated bureaus they assess and collect toll on property largely without outside control and as they see fit. The survey, the rating, the adjustment—the whole Alpha and Omega of insurance are in their hands. The materials of construction, of protection, of occupancy, of buildings and contents are in their hands to regulate as they think best and assess to the limit they alone determine. If their conclusions are not respected, no insurance issues with all the danger and liabilities this entails, or excessive charges are made. This is despotism, but on the whole it has proven reasonably beneficent. Yet it is wrong—because the whole subject should be regulated by forces equally powerful, informed and organized—by the buyers of insurance on the one hand and the sellers of insurance on the other. As against the insurance organization the public are an army without a leader, clustering as regards this subject in haphazard groups here and there as incidents or circumstances determine and sniping at the common enemy as they can. They can not know the subject as an engineering or financial problem, yet they feel the restraint and are suspicious and resentful. Hence a



trade body here, a city there, a state elsewhere are always in conflict on some subject with the insurance organization.

W. N. Johnson, one of your profession (of Erie, Pa.) told you in his address on "The New Gospel of Publicity," at your meeting last year, that out of this wide-spread but largely dissociated interest and activity against fire waste is a crying need of a harmonious principle and plan of action which all concerned should discuss and agree upon—then proceed actively and with a united front to get into practical operation.

It will not be out of place here to enumerate the agencies now at work on some phase of this subject:

*United States Government.*

Department of Interior;  
Geological Survey (on Building Materials);  
Department of Agriculture;  
National Conservation Commission (in state association).

*State.*

State Fire Marshals (National Association);  
Insurance Commissioners (National Association);  
Fire Protection Associations.

*Municipal.*

League American Municipalities (Mayors in National Association);  
International Association of Fire Engineers (City Fire Chiefs, Marshals and Commissioners);  
(Representing Fire Departments, Police—of cities all over the United States).  
Firemen's Association (National Organization of City Firemen).

*General.*

American Bar Association (Commissioners on Uniform State Laws);  
National Association of Credit Men.

*Commercial.*

National Association of Manufacturers;  
National Electric Light Association;  
National Electrical Contractors' Association;  
National Association Master Sheet Metal Workers of United States;  
National Association Master Composition Roofers of United States;  
National Hardware Association of United States;  
American Street and Inter-Urban Railway Association;  
American Warehousemen's Association.

*Engineering.*

American Institute of Architects (*re* building);  
American Institute of Electrical Engineers;  
American Water Works Association (*re* standard city water supply).

*Stock Insurance.*

National Board of Fire Underwriters (with its engineering committees—notably on *Fire Prevention*—which has surveyed the water supplies and fire departments of twenty-six (26) cities; on *Lighting, Heating and Patents*, including the Board of Consulting Engineers; the *National Fire Protection Association*, the *Underwriters' National Electrical Association*, the *Underwriters' Laboratories*), and its associated

"Ratings," or "Underwriting," or "Inspection," or "Survey," or "Fire Prevention," Bureaus and Exchanges in nearly fifty cities and centers all over the country;

The National Association of Local Fire Insurance Agents.

### *Mutual Insurance.*

Associated Factory Mutual Fire Insurance Companies, and Factory Mutual Laboratories (Engineering, Rating and Underwriting).

All the above are actually working at some or all the problems of fire waste and prevention, with varying interest, knowledge and activity, but more are needed.

I made the suggestion of taking membership in the National Fire Protection Association, the principal source of engineering and practical knowledge in the country, combining as it does stock and mutual insurance sources, to the National Conservation Commission and to the League of American Municipalities, and understood both subsequently took this step. I made the same suggestion to the three great commercial organizations that in a measure I represent here now and they all acted in accordance with it. I have in the same way approached the American Bankers' Association, as this fire waste problem is a credit consideration of vital importance to their interests. I have, in the same way, approached the National Board of Trade, as its nearly one hundred constituent local boards should have the deepest commercial concern in the problem. All trades leagues and chambers of commerce should show like interest and recognize their share of responsibility in permitting a continuance of present fire waste conditions without action or protest.

The National Grange, with its organization covering practically every state in the Union and including something like a million farmer members, should by all means be brought into this movement because of the average character of their buildings, their isolation and their need for better knowledge on this subject.

Real estate organizations, trade organizations in all lines of commerce and manufacture, and generally all public and social bodies, are morally and economically concerned in the waste of life and property from fire and its cost to the individual and the constituent nation.

College courses on fire insurance and insurance engineering are now part of the curriculum in many institutions and should be extended and encouraged.

Finally the daily papers, magazines and trade journals should aid in freely distributing broadcast more regular and instructive data than the occasional protest and haphazard notices of fires now usual.

The above outlines the range of organized activity now interested and which should properly and speedily become interested.

Does any person or body of people desire to know the subject? There is any amount of facts known and prepared which are easily obtainable by any one interested.

I prepared a paper on "Fire Waste and Prevention" for the first conference on the Conservation of National Resources at the White House, May 13th to 15th, 1908, which was published in part in its proceedings. A special committee of the National Board of Fire Underwriters followed this up with an address on the same subject at the later conference, December 8th to 10th, 1908.

The report of the Committee on Statistics of the National Board of Fire Underwriters of May 13, 1909, includes the "Preliminary Report of the Fire Losses in the United States for the Year 1907, Issued by the Department of the Interior, U. S. Geological Survey." These papers show in general and specific terms the problem of United States fire waste in its useless and hateful enormity.

In more general terms good view points are presented in an article

"Who Killed Cock Robin," by A. F. Dean, a well-known underwriter, in the Midland Magazine of September, 1908; and in an address by Franklin H. Wentworth, secretary of the National Fire Protection Association before the ninth annual meeting of the Texas Fire Insurance Association, June 4, 1909.

Somewhat more of the *insurance* view of fire waste is presented in an address on "Fire Insurance Rates and Losses," by Henry J. Furber, Jr., general counsel of the Chicago Board of Fire Underwriters before the Chicago Credit Men's Association, April 15, 1908; in an address on "Fire Waste," by Edward T. Campbell, president of the American Central Insurance Company, before the St. Louis Credit Men's Association, December 10, 1908; and in an address on "Fire Insurance," by G. P. Sheldon, president of Phenix Insurance Company, of Brooklyn, N. Y., before the National Association of Credit Men at their annual meeting, Philadelphia, July, 1909.

The National Association of Credit Men and all of its sixty-eight local branches issue the above addresses in pamphlet form; as well as a series of six circulars dealing with the necessity (1) of adequate insurance; (2) of having insurance contracts strictly applicable to the conditions of the risk; (3) of dealing with strictly responsible insurance companies; (4) of elements constituting the premium rates; (5) of protection against fire, and (6) of company insurance and other special clauses.

In the Annals of the American Academy of Political and Social Science (Philadelphia), 1905, appear three papers by insurance underwriting and engineering experts which show very clearly from the experienced standpoint of the writers the reasons and principles at work in their respective subjects:

"Rates and Schedule Rating," by Chas. A. Hexamer.

"Fire Prevention," by Everett U. Crosley.

"Standard Fire Insurance Policy," by P. C. Oviatt.

On the latter subject Henry C. Evans, president of the Continental Insurance Company, of New York, has prepared a model form of policy with very complete references, after long and careful study and co-operation with other authorities, which modifies in many respects the widely used New York state form.

D. L. Sawyer (of St. Paul, Minn.) chairman of the Legislative Committee of the National Association of Credit Men, after consultation with the Commission on Uniform State Laws, has drafted a model policy form which perhaps has more authority behind it and leans slightly more towards the insured than the above.

On the subject of a *federal form of policy*, as against independent state regulation, it is well worth while to read the address delivered before your annual meeting of 1905, by Hon. Jas. M. Beck; as well as the report of the Committee on Insurance Law of the American Bar Association at Portland, Maine, August 26, 1907, which latter tells in what respects state regulation on this subject has failed, and worse. Both agree that the *business* of insurance is *inter-state* in its nature and that the *form of contract* is properly subject to national regulation.

As to the value, even the imperative necessity, of state fire marshals to reduce fire waste—the address of Dr. Clarence Maris, pyrologist and assistant fire marshal of the state of Ohio, delivered before the National Fire Protection Association at their thirtieth annual meeting, New York, May 25th to 27th, 1909, is most illuminating on the march of this move-

ment in twenty states and the entirely inadequate reasons why it has failed to come into being in the remainder.

An address by Chas. W. Whitcomb, first state fire marshal of Massachusetts, before the members of the Ohio legislature at Columbus, Ohio, March 2, 1900, is still good reading in connection with this subject. The Ohio and Connecticut fire marshal laws have been largely based on the general plan of the Massachusetts statute.

There is certainly a widespread agreement on and demand for the movement. The American Bar Association Committee on Insurance Law presented a model form of state fire marshal law in their 1907 report.

The annual reports of the Ohio state fire marshal (especially 1907) show conclusively the reduction in life and fire loss accomplished in Ohio by this movement within a few years, and the annual reports of the fire marshal for Wisconsin and many other states conclusively show the definite improvements in fire waste conditions in all states which have adopted this agency. The Pennsylvania State Conservation Commission, of which I have the honor to be a member, is committed to the advocacy of a state fire marshal law in Pennsylvania at the next session of the legislature. I can not pass from this point without quoting from a recent letter from Geo. C. Neal, deputy chief of the Massachusetts fire marshal's office:

"The matter of the investigation of fires is one of the most important that I know of in criminal procedure. What is everybody's business is nobody's business and it is so difficult to secure evidence in a fire case that unless a detective is specially trained in that direction the work can not be done as efficiently as it is done by a fire marshal organization."

On the regulation of brokers a careful study is in progress between the insurance committee of the National Association of Credit Men and the National Association of Local Fire Insurance Agents, which tends to the state examination and licensing of brokers.

I have advanced the following proposition in this connection to limit as much as possible the issuance of excessive insurance, viz.:

*Required by Law:* "Any applicant for insurance should make application in triplicate, alleging to the best knowledge and belief and in reasonable detail the values concerned. The broker, if any, should be required to so check this application as to endorse it or else decline it. If endorsed, the insurance company to issue its policy—should it elect to do so—with the application attached as a part thereof. In the event of loss, inquiry and adjustment, the company to report any concealment or misrepresentation discovered to the proper state officer whereupon, on proof, the same penalties to attach to the assured and the broker on the application as would lie against a false credit statement for back loans or merchandise in any state, in the absence of other specific penalty."

Such a requirement would be practical and inexpensive. It would force the applicant to know his own affairs and to run grave risk from misrepresentation or even carelessness. It would force the broker to greater care in procuring the issue of policies and safeguard losses.

Brokers should also be required by law to arrange for payment of the premiums on policies procured through their agency at the time of issue, as usually failure so to do operates to invalidate the



insurance which the assured in taking assumes to be binding. Brokers finally should bear the burden of so shaping the final policy issued, by riders, etc., as to protect the applicant to the extent agreed, and to make this plain in writing to the applicant in advance, as the forms of contract are not easily or generally understood by the public.

The local underwriting boards throughout the country are largely controlled by the element of insurance brokers instead of by direct representatives of the insuring companies themselves.

The interest of the broker must naturally lie primarily in the direction of selling the greatest amount of insurance possible at the highest rate and getting the largest commission on it. It is this drag on the broker's mind, interests and actions which is responsible for a part that is bad in the fire loss and fire insurance situation in this country.

It would not be hard to pick out numerous instances of the broker soliciting business rather than sound insurance and making the way as easy as possible towards this end with a preference rather for a high rate instead of a low one on the theory that the rate would cover almost any loss that would occur—therefore better let it be high and get a good slice of it. You could not count on the fingers of your hand the officials of insuring companies, either who would not oppose this view.

As regards building construction, protection and occupancy—the Model Building Code (second edition, 1907) proposed by the National Board of Fire Underwriters and the New York City and the Cleveland codes give exhaustive data, likewise the reports of the National Fire Protection Association and the lists of approved materials and devices regularly issued by the Underwriters' Laboratory.

The printed index to subjects covered in the records of the National Protection Association can be obtained by any one from the office of its secretary, No. 87 Milk Street, Boston, Mass., and will disclose the vast amount of technical engineering study and investigation that has been done along this line. All members of the association also receive regularly the "Quarterly," published by the association, by Henry A. Fiske, editor, at Hartford, Conn., which teems with valuable engineering data on building construction, protection and occupancy.

I suggested more than a year ago that the District of Columbia formulate and adopt a building code so broad in principle that it could be employed as a model by the rest of the country, but after consultation with Mr. MacFarland, one of the commissioners of the district especially charged with this matter, it became apparent that by virtue of the limitations surrounding his office and having regard for the decisions of the courts controlling the matter, their code must necessarily be strictly confined to their own necessities, which, due to the peculiar physical conditions obtaining in Washington, are not nearly so urgent as in many other great cities in the country.

As regards insurance and fire loss abroad, the statistics gathered in 1905, by the Bureau of Manufactures of the Department of Commerce and Labor through the principal United States Consular offices in Europe, discloses very clearly why conditions here are so much worse and along what paths as to building construction and insurance contract regulations the way lies to improve them.

A long article in the Public Ledger (Phila.) February 1, 1908 "Real Estate Guide" supplement condenses much of this data in form which may be generally understood.

Can any one therefore doubt but that we already have very full information in detail on almost every point in the problem? Any organ-

ization in the country which interests itself in fire prevention can for a nominal sum become a member of the National Fire Protection Association; and any member of the former therefore can become a subscribing member of the latter at \$5.00 per year, and will regularly receive the mass of authoritative information they regularly distribute on the physical side of the subject.

This is the simplest and easiest path to knowledge about how to fight fire waste and if I may venture to suggest it your presence in that membership would add to the list of good examples.

The little homely truths, which nullify much of the effect of larger matters well cared for should be kept always well to the front. The rat and loose match, the neglected flue, the oily rag in a dusty corner—all these take a total annual toll which costs the average citizen far more than he would ever guess.

Any one can learn wherein old buildings are hazardous to owners, occupants and neighbors—and cost dearly to insure—when made of inflammable materials, with concealed spaces and vertical openings, and fore-spreading combustible roofs, without standard, approved tinclad divisional doors within to arrest the travel of fire, or like shutters or wire glass to keep fire from spreading in or out, or automatic sprinklers to detect and put out fire at the point and time it commences within. These and many other reasonable improvements can be made to any old property and usually with excellent profit to the owner and occupant—yet individual initiative makes slow progress, and the state and city do little to hasten it.

Any one desiring to erect a new building can learn from the same sources every detail of method and comparative costs for either fireproof or slow-burning construction—and still many owners, designers and builders think little and care less for this phase of the subject until often too late—and the public which runs the state and municipal governments allows lax laws to remain when good ones could easily be devised and enacted, and sit quiet when such laws as exist are carelessly enforced or sometimes not at all if they touch uncomfortably any one with "a pull."

The data is at hand, but there has not been adequate co-operation and compromise among the mass of agencies at work; and the average man who designs, builds and owns property so far seems indifferent and has not acquired or used the knowledge collected and tested to anything like a proper or reasonable extent.

A dull student of physics when questioned in examination by his professor as to how he would use an aneroid barometer to ascertain the height of a tall building, replied that he would tie it to a string and let it down from the top to the street, then measure the string. The public is now using fire protection knowledge with like intelligence.

What should be a program to round up this data out of all this available material and get it into combined forceful and speedy action by all the agencies concerned? The underwriters—even with their growing list of allies—can not succeed much better than now, with present methods. They can not arbitrarily press the public too closely in requirements or charges, because public opinion is not sufficiently enlightened to know and in ignorance is too suspicious to co-operate with and support their measures, nor are all of these in present form sufficiently shaped to the common interest or in all respects so altruistic as to be entitled to unquestioned support without change. Too much pressure with the competition among insurers themselves causes the loss of too much income sometimes; and the state, which in other guise is this public, has not yet put

on the pressure to suppress a common waste for the common good. We then come to the solution of educating the public and concentrating with them on a concerted expert program which all will authorize and enforce.

You are beginning to believe in publicity as a principle; but if I may be allowed the frank opinion it is now pursued with too little concrete plan or generalship and legislation is being sought without waiting to adopt statutes on which all should be agreed and in which all should be represented.

For instance, the National Board of Fire Underwriters caused to be introduced into the Illinois legislature March 10, 1909, a resolution providing for a commission to prepare a state building law, in which they proposed that the commission be composed of fifteen members, including representatives from the American Institute of Architects, Western Society of Engineers, the National Board and the Builders' and Contractors' Council.

Such a proposition, to my mind, should have been drafted after consultation with the commercial bodies concerned in that state and they should have been represented on it, as well as the underwriters, architects and builders. If this form of state legislation is desirable all the interests concerned should be considered and a model prepared for use all over the United States and thereafter revised with special reference to conditions for each state.

Is it not an error to initiate such legislation incorporating only the views of a portion of the interests affected instead of all? Another instance that may be cited is a bill introduced into the Sixtieth Congress (2d Session), H. R. 28407, February 23, 1901, by Mr. Flood, to create a commission to prepare a code of laws to regulate and control insurance companies doing business within the District of Columbia, which is included in the 1909 report of the Committee on Insurance Law of the American Bar Association.

Would not our legal friends, who desire to see a model on this subject applied to the District of Columbia for the benefit of the rest of the country, have been better advised if they had counseled in advance with insurance and commercial interests so that the proposal could be understood by and receive the support of all concerned instead of a part? This principle of action appears to me to underlie the possibility of all successful advance in this matter at this time.

Let us now consider for a moment what should be included in a comprehensive program. The National Board of Fire Underwriters, in their report of 1909, included the substance of a letter to the National Conservation Commission on this subject, in which they recommend, in substance, (1) educate the public that property destroyed by fire is an absolute loss and that the cost of insurance thereon is a general tax; (2) that the states severally adopt and enforce a building code, demanding improved construction (based on their model code which might or might not on analysis prove the very best for all concerned from the standpoint of the assured as well as the underwriter); (3) that the states establish and maintain fire marshals with proper powers; and finally (4) (this possibly belonging more as a corollary to 2 above), that municipalities adopt ordinances governing the use and storage of explosives and fire hazards of every form from every cause.

As stated above, I believe that two other general subjects should likewise be included, viz., (5) that the states severally require the examination and licensing of insurance brokers and (6) that the states severally adopt a uniform insurance policy.

It is not enough that any one body or any one interest related to this great subject should advance such a program no matter how powerful or authoritative. A congress of all interested, limited only to the scope of the subject and the limits of the country—a wide range of which have been enumerated above—should meet for this purpose, under the auspices and direction of the representative bodies of property owners, merchants, manufacturing and transportation interests of the country, who in the aggregate pay the major portion of the insurance and fire loss bills and who have hitherto held themselves more or less uninformed and aloof from the problem.

This congress should organize committees to take testimony from every authoritative source and draft model proposals covering all the great points involved, viz., (1) the legal proposition; (2) the engineering propositions; (3) the underwriting propositions; taking in financial phases of insurance; (4) the state or political propositions; (5) the municipal and country, or in other words the police propositions; and finally (6) the commercial propositions or that hitherto unexplored view which trade bodies and associations of every sort would present if they studied the subject in all its phases and formulated those intelligent demands on all points which their interests would warrant.

To gather together and organize such a congress would require a vast amount of work and preparation and quite considerable expense, nevertheless I am convinced that it is the right step. It should be thoroughly representative as to the bodies brought together (both geographically and with respect to the interests they constitute) and as to the men who represent them.

The program resulting from such a movement would have such weight, not only as to the propositions evolved, but as to the forces behind it all over the country, as to stand an excellent chance of enactment and enforcement everywhere, any political or special interest to the contrary notwithstanding.

For the past five years up to the beginning of 1900, the United States fire loss averaged about \$750,000 per day. For the first eight months of this year it has been approximately \$136,000,000 or nearly \$28,000,000 more than for the same period of 1908. These are huge sums—they are all absolute waste—they can be reduced more than one-half and I believe men can and ought to combine all over the country to this end. If it lies within your province to endorse such a meeting I will be very glad to see you take this action.

A crying need to my mind at this time in American life is that of more thriftiness and greater regard for the petty economies in life which go to constitute a healthy and continuously successful people. It is the lack of this spirit in the country which is the father of the whole situation just above discussed. It is the lack of this spirit which taxes every individual in the nation with the results of a rotten road system instead of building good roads as other civilized nations do.

Finally, it is this spirit in the country which is responsible for the waste in health occasioned by widespread lack of knowledge and interest about how to properly cook the best and cheapest food supply of all lands. There is no question about the United States being the greatest country in the world, physically and in the stock and intelligence of its people, but at present we are too busy and successful to give reasonable attention to important small things.



## A Sketch of the Doings of the American Bankers' Association Convention.

The American Bankers' Association held its thirty-fifth annual convention during the week of September 13th, at Chicago, Illinois, at which many matters of vital importance to the country at large were taken up. In connection with the convention were several conferences of interest, either affiliated with the association or whose work is closely identified with the banking business, such as the trust company section, clearing house section and State Bank Supervisors' Association. These conferences have become so prominent a feature of banking conventions that their consideration can not be overlooked in making an estimate of the important place filled by these conventions in the business life of the nation. At the conference of trust companies the marvelous growth of that department of banking was brought out when it was shown that the trust company memberships had grown to 1,000 representing resources of \$4,000,000,000.

Probably that part of the program which gave the greatest general satisfaction was the virtual settlement of the bill of lading controversy in a conference attended by representative bankers, members of mercantile associations and railroad officials. What the bankers have steadily been contending for is a bill of lading which will make the carriers assume responsibility for the bills of lading that they issue, and thus safeguard this important instrument as a basis of credit. To this end the conference substantially agreed upon uniform legislation both state and federal for which they would work. If nothing else had been accomplished at Chicago than to bring harmony into this complex problem the convention would have done enough to merit the highest thanks of all commercial interests.

Much interest centered around the discussion of the bank deposit guaranty and the postal savings bank plans, the committees reporting upon them being strongly opposed to their adoption. Lucius Teter, chairman of the postal savings bank committee, in his report said:

"We find that the bankers are entirely alive to their responsibilities, and while condemning the idea of postal savings banks they are willing to co-operate actively in the enactment of laws, both national and state, that shall make for better savings facilities and for better banking methods.

"The members of your committee are inclined to think that at this date we can say that there has apparently been a great change in sentiment throughout the country in reference to the advisability of passing postal savings bank legislation. In other words, the campaign of education which we started has to a considerable extent had the desired effect in that it has caused multitudes of people to study carefully a question to which they had heretofore given only superficial attention.

"We are hoping that the question will be turned over to the Monetary Commission and fully believe that in the final report of that commission will come promises for a future development of American banking that will assure all the people that legislators and bankers, working together can take care of the banking needs of the American people."

A proposal to work for federal legislation, to offset postal bank agitation, permitting national banks to have separate savings depart-

ments whose deposits would be held under substantially the same restrictions as are imposed on savings institutions, was referred back to the legislative committee for report at a future convention.

The question of clearing house examinations to supplement the examinations of the department of the Comptroller of the Currency, received careful consideration in the hands of the convention. It was shown that the clearing house section had been carrying on a vigorous campaign for the appointment of clearing house examiners on the ground that the clearing house occupies a position of great power in keeping its member banks well within good banking practice.

In connection with this report President E. C. McDougal, of the clearing house section, pointed out the advantage of clearing house examiners who have unequaled facility of consultation which makes them excellent judges of local credits. Furthermore he said that the clearing house is destined to be the strongest force in the commercial world as is illustrated by the fact that in one of our great cities, it forced several banks to drop individuals from their directories whose influence and methods were not considered beneficial to the financial affairs of the city. He said that while this might be usurpation of authority it was recognized as of advantage to the community.

Naturally the central bank of issue came in for ample discussion. At the very opening of the session President George M. Reynolds, of the association, in the president's annual address indorsed the central bank principle. What he advocated was a great commercial bank, fiscal agent for the government, but not under government control, with a capital stock of not less than \$100,000,000, and with its branches taking the place of all present sub-treasuries. With this he declared we would have an establishment which would issue currency under such regulations as would meet all the requirements of commerce. While a general sentiment prevailed in favor of suspending judgment as an association until the Monetary Commission had had time to present its report, yet no subject received greater attention informally at the convention than this vital central bank proposition.

The addresses delivered at the various sessions were of a high order. That of Lawrence O. Murray, Comptroller of the Currency, was important as showing his attitude toward the duties of bank director. He said:

"The director of a bank who poses before the people as the trusted custodian of their funds, and who is using his trusteeship for the purpose solely of personal gain, who is recklessly speculating with the people's money by borrowing unwarranted sums upon insufficient security, is the greatest menace to the safety of the banking system to-day. The elimination of this type of director from the control of banking institutions and the fostering of a keener sense of responsibility among a certain class of bank directors of the duties of their high office is being attempted by me through all the means at my command.

"The reasons for my determination to make an effort to stimulate directoral control were two: First, a national commission is now making a study of the entire banking situation in this country. And as in the present banking law the duties of directors are not specifically set out, it seemed well to ascertain definitely just how the 7,000 banking corporations chartered by the Government are internally managed by the board of directors; so that, if, in the new law, it seems wise for Congress to specify in detail what the duties of directors shall be, it will have the statistics as to just how the banks are managed at

the present time. And, secondly, I desired to find out just how the banks are managed so that, with no additional legislation at all, bad conditions may be remedied by good, effective administration. And I have found such a remedy. I now know exactly how every bank in the country is managed, and the few badly managed ones will be examined hereafter four times a year, and in the presence of the directors. And in the banks where the management is either careless or not up to a fair standard, the directors will be asked to adopt such rules for the internal management of the bank as will remedy for all time all ground for just criticism, either from the Comptroller or from anybody else."

The address of James B. Forgan, president of the First National Bank of Chicago dealt with "The Efficacy and Limitations of Bank Supervision by Examination and the Responsible Sources of Bank Management." Mr. Forgan compared the various kinds of methods of examination upon which we rely, as follows:

"First—By the Government in the interest of the public.

"Second—By the Clearing House Committee in the interest of associated banks.

"Third—By the directors in the interest of their stockholders and depositors."

He said with all this examination the public must not be deluded into the belief that official examinations will relieve them of fundamental duty of exercising their own discrimination in the selection of a bank. He said that the entire credit system on which the business of the country is built up, has its very basis in the exercise of such discrimination and any delusion which purposes to relieve the public of it would morally and economically be most injurious, tending to carelessness and general demoralization in business affairs as well as lowering the standard of business sagacity and social efficiency.

James J. Hill's address on the "National Wealth and Farm" made a deep impression. He pointed out that the national population is increasing without a corresponding increase in productivity per acre, which if continued will mean that our home food supply will be insufficient for our own needs and we should be forced into the position of a wheat importing nation. All this means, he said, increased cost of living, which will be harmful to the nation. Mr. Hill declared that our main reliance is the farm and it is our duty to do all in our power to make the farm attractive for the best men of the nation.

Secretary Farnsworth's report showed that the American Bankers' Association now embodied the forty-six state associations, all of which are working in complete harmony with the national body, that the membership had increased during the year 1,639 members, making a total membership of 10,628.

The activities of the association in the line of legislation was shown by General Counsel Thomas B. Paton, who reported as follows:

"No less than thirty-seven association bills have been enacted in different States, and this does not include the Negotiable Instruments law, which has been enacted in two additional States, and the Uniform Warehouse Receipts act, which has been passed in eight States this year.

"1. The bill to punish the making or use of false statements to obtain credit, drafted by general counsel, and made broad enough to punish the officer who obtains money or credit for his corporation by means of a false statement, has been passed by the Legislatures of Michigan, Minnesota and Montana; also in Tennessee, with certain modifications, and in Illinois the principle of the bill was incorporated in an amendment of the existing law. It also passed both houses of the New Jersey Legislature, but was vetoed by the Governor without statement of reasons.

"2. The bill drafted by general counsel relating to bills of lading has also been passed in four States this year. I leave for the chairman of the Committee on Bills of Lading a statement of the details concerning this measure.

"3. The bill drafted to punish the circulation of derogatory statements affecting the financial standing of banks has been passed by the Legislatures of Michigan and Pennsylvania.

"4. The bill precluding a depositor from questioning the payment of a forged or raised check unless he notifies the bank within a specified period after the return to him of the forged or raised check as a voucher, has been passed this year in Montana, with a time limit of one year; in Iowa and North Carolina, time limit six months; in Wyoming, time limit three months, and in North Dakota, time limit thirty days.

"5. The bill defining and punishing the crime of burglary with explosives has been enacted this year in the three additional States of Idaho, Washington and Wyoming, and bills making it a crime to have burglars' tools in possession have been passed in North and South Dakota and in South Carolina.

"6. The bill making it a crime to give, with intent to defraud, a check or draft on a bank without sufficient funds on deposit to meet it, has been passed this year in Wyoming, and in South Carolina and Tennessee in modified form.

"7. The bill amending the Negotiable Instruments law, by clearing up all doubt when a time instrument made payable at a bank may be paid, specifying that payment must be made on the day of maturity only, has been passed in Missouri, Montana and New Jersey.

"8. The bill authorizing payment of a deposit in trust to the beneficiary upon the death of the trustee has been passed in Michigan and Montana, and in South Carolina in modified form.

"9. The bill authorizing the payment of a deposit standing in two names, upon the death of one, to the survivor, has been enacted in Michigan, Montana, Nebraska and New Hampshire. It also passed both houses of the Wisconsin Legislature, but was vetoed by the Governor on the ground that it might afford an opportunity for evasion of the Inheritance Tax law.

"10. The bill qualifying a notary, though a stockholder of a bank, to take acknowledgments and protest paper where the bank is a party, has been enacted in Michigan, Montana, New Jersey and Wyoming."

The election of officers was unanimous, Lewis E. Pierson, president of the Irving National Exchange Bank of New York city, being chosen president, and F. O. Watts, president of the First National Bank of Nashville, vice-president.

Los Angeles was chosen as the city of the 1910 convention.

### "Hang Out Your Sign."

F. Armstrong, Jr., as chairman of the publicity committee of the Pittsburgh Association of Credit Men urges that all Credit Men's Associations make more of a point of advertising. He says, "Don't be afraid to let your customers and competitors know that you belong to the Credit Men's Association—it is something to be proud of. It would be well if the different local associations would follow the example of the Pittsburgh Association of Credit Men, who have a black card printed in gold letters, 'Members of Pittsburgh Association of Credit Men,' furnished to each member. This card is hung in a prominent place in 700 offices in Pittsburgh and is a silent reminder to those who see it that each concern is a member of the *greatest business men's organization in the world.*

"And right here while on this subject of publicity I say—'Why not put a live man at the head of your publicity committee and let him get acquainted with the managing and city editors of the newspapers in your city.' *It will pay.* Furnish the papers copy and plenty of it, and let them know what your particular association and the National Association is doing. Again I say—*it will pay.*



"For instance, some two or three years ago the Pittsburgh association thought they were most fortunate in getting a two-inch notice crowded down in an obscure corner where you could hardly see it. When the writer took hold of the problem, through his acquaintance with the editors (being formerly a newspaper man), he found that his copy was well received and in most cases published word for word but on one occasion when an article submitted was not published he asked the proprietor to speak a good word to the city editor, who replied—'You fellows want a lot for nothing—all that stuff costs us money—to put into type.'

"My reply simply was, 'Well, Smith, if you don't want the news, it will not be sent to you any more but let me tell you that 75 per cent. of your advertisers are members of the association.' He caved in right away and since that has been hungry for copy. The Pittsburgh association has gone a step further and now employs a bright newspaper reporter as press agent and all the proceedings of the association are published—from a quarter to a column and a half, with now and then an editorial. *Wake up, boys*, and keep your association in the public eye and see what a wonderful lot of good it will do you."

#### **A Word from an Insurance Official About the Association's Educational Campaign Along Fire Insurance.**

"I have read with much interest Leaflets Nos. 1, 2 and 3, which you were kind enough to send me. I have also seen several abstracts from Leaflet No. 4. To my mind, the facts contained in these several pamphlets present the most concise and truthful exposé of the situation as regards the business of fire insurance in this country which has been advanced by any individual or commercial interest not directly connected with the business itself. The National Association of Credit Men have unquestionably viewed the situation in its true light, and I am convinced that much good will result from its campaign of education.

"To those familiar with the theory of fire insurance and its history, it is unnecessary to say that the interests of insurance companies and of the public are identical; that whatever affects one, either for good or bad, necessarily affects the other. Aside from the nominal banking feature, an insurance company after all, is little else than a collecting agency, and every condition, such as inimical legislation, burdensome taxation, etc., which has a tendency to increase the loss and expense ratio, must of absolute necessity be reflected in the premium charge. This fact has been recognized in England, France and Germany, and other European countries for several centuries, with the result that both the moral and physical hazard has been reduced by stringent legislation to the minimum. Statistics show that within the past decade the per capita fire waste in those countries is about 30 cents, while in America the per capita fire loss exceeds \$3.25 for a like period. The impression largely prevails with our citizens, that property burned is replaced from the coffers of insurance companies. In this reckoning we lose sight of the fact that the annual fire waste in the United States aggregating quite a quarter billion dollars, represents so much productive, taxable wealth, so many good hard earned dollars forever destroyed, and to which extent our people are permanently impoverished. Valued policy laws only benefit the rascal, while anti-compact, anti-co-insurance, and similar legislative acts have ignominiously failed to even equalize rates, much less reduce them.

The truth of this assertion is best proven by a comparison of insurance rates in those states which do and do not have upon their statutes such laws. In its intent, no contract is fairer than the Standard Policy of the state of New York, but unfortunately for both companies and the public, the conditions of this policy have so unjustly and unwisely been construed by the Superior Courts of numerous states, that the equities of the contract itself have to a large extent been outlawed."

#### ASSOCIATION NOTES.

##### Chicago.

The first fall meeting of the Chicago Credit Men's Association was held at the Mid-Day Club, September 15th. The splendid attendance indicated clearly the sense of gratification generally felt because of the election of F. H. McAdow to the highest position in the gift of the National Association. There was no business transacted other than the introduction of the new secretary, O. A. Ipsen, after which short addresses by ex-presidents E. L. Wedeles, Samuel J. Kline, E. M. Skinner, H. T. Smith and W. J. McMillan were made, each paying the highest tribute to the character, ability and fitness which Mr. McAdow brings in so marked a degree to the office of president. Letters of regret because of their inability to be present were read by S. J. Whitlock, from F. M. Gettys, ex-president of the National Association and numerous other members who were out of town and could not be present.

When President McAdow was called upon to speak he was greeted with marked enthusiasm. The members present rose in a body, and after prolonged cheering and other demonstrations, Mr. McAdow was finally permitted to respond. He spoke eloquently for the Association, showed how rapidly it had gone forward these last few years, emphasized the value of our adjustment bureaus and the necessity of supporting them loyally, and urged all to go on with the work of gathering in credit men till the Association had on its rolls every concern available under the constitution. Mr. McAdow's address was received, with such warmth of feeling as to show that he carried his hearers' sympathy completely.

Assistant States Attorney, John E. Northup, made an address on "The Live Wire" which was highly appreciated.

##### Columbus.

The Columbus Credit Men's Association held its first fall meeting September 24th, at Chittenden Hotel, with 100 members present.

The association was honored by the presence of President F. H. McAdow, of the National Association, who spoke on "Phases of the Association Work." Mr. McAdow argued for a higher standard of credit and fuller co-operation among credit men to the end that the present waste from bad debts may be reduced and general business conditions be put on a sounder basis. Mr. McAdow also laid special stress upon the vast possibilities of the bureaus for exchanging credit information and for handling adjustments.

Secretary Watson reported that the Columbus association now had a membership of over 200 and that every phase of the work is in healthy condition.

The election of officers followed, resulting in the re-election of President H. E. Smith for a second term and the choice of F. C. Rice as vice-president and Howard C. Park as treasurer.

### Denver.

The first fall meeting of the Denver Credit Men's Association was held at the Colorado Traffic Club, Tuesday, September 14, 1909. Karl K. Mayer, president, was in the chair.

The president called for reports from committees. John Callis, chairman of the membership committee, reported eleven new members, making total membership to date 201.

Mr. Gillette, of the investigation and prosecution committee, reported that that committee had acted on the cases of Silas Dixon, a jeweler of Greeley, who had left for parts unknown with all his stock and had left numerous creditors unpaid. A circular offering \$100.00 reward for his arrest and conviction had been printed and distributed all over the country. Mr. Gillette further reported on S. D. Gray, who had been arrested in Kansas City and was now in jail at Golden under \$3,000 bonds awaiting trial at the November term.

Mr. Pond, one of the delegates to the annual convention of the National Association of Credit Men at Philadelphia, reported on the convention doings.

Mr. Gillette stated to members present that the Adjustment Company's annual meeting was to take place October 12th at the same time that the Denver Credit Men's Association's annual meeting was held and he hoped that all members present would take interest enough in this important feature of association work to attend this meeting.

### Detroit.

At the September 20th meeting of the Detroit Credit Men's Association held at Hotel Pontchartrain, an address which proved of great interest, was delivered by Grant Fellows, of Hudson, Michigan, on the "Corporation Question." Speaking of conditions in his state Mr. Fellows said:

"Under the general corporation law of this state, three men with a patent right and an elastic conscience can organize a corporation, the amount of its capital stock being limited only by the elasticity of the conscience of the promoters. I think that a majority of us will agree that the state ought not breathe into the nostrils of a body organized under such circumstances the breath of life, and put its seal of approval on it."

Mr. Fellows also scored the payment of unearned dividends, and referred to the custom in Germany, where this can not be done. Continuing, he said:

"Instead of a bureau of one of the state departments handling these matters, I would place them in the hands of a department, similar to the banking department, with a strong, able, fearless and honest man at its head. I would require that every dollar of stock issued by corporations should have a dollar in value back of it.

"With proper regulation here corporation prejudice would vanish and the legitimate corporate form of wealth be firmly established and respected."

F. R. Hamburger, a member of the association, spoke on some excessive charges which are made in settling estates under the bankruptcy law. He declared that costs exacted of creditors are often all out of proportion to assets, though in many other respects the bankruptcy law is excellent legislation. Referee in Bankruptcy Harlon P. Davock was presented and was invited by President Millis to reply to Mr. Hamburger's criticism of the law which he as referee is called upon to admin-

ister. Mr. Davock said that much of which Mr. Hamburger complained could and would be overcome if the government stood a part of the expense of administration. He pointed out that under the law the government does not even furnish one item of expense to which referees are put in performing their work, which is a distinct weakness of the law, as in small estates there is frequently not enough remaining to compensate fairly for the work involved in reaching a settlement.

### Memphis.

The Memphis Credit Men's Association held a meeting September 21st to hear reports from standing committees and announcements of the plans of the administration for the coming year.

W. E. Stansbury, chairman of the membership committee, reported several new members and stated that the committee this year intended to show an increase in numbers equal to the excellent work done last year. It was felt, he said, that there are several houses just outside of Memphis proper which should be allied with the association.

W. B. Cleveland, of the information bureau committee, in a comprehensive report detailed a new system which the committee had established. He stated that a number of new members had been secured for the bureau and better service than ever was assured.

C. S. Faxon, of the legislative committee, stated that there would be no meeting of the legislature in any of the neighboring states in the very near future, but in the meantime his committee is working quietly and planning a campaign of education as to the merits of the bulk sales law, which it is hoped to pass at the next meeting of the Arkansas legislature.

R. W. Ramsey, president of the adjustment bureau, spoke on the excellent work which is being done in his department and asked the co-operation of the members in the effort being put forth to obtain increased dividends in insolvent estates.

In the course of general discussion of the report of the business literature committee, W. B. Cleveland suggested that the daily papers be requested to publish a classified list of fires and failures.

President King advised that the association had received recognition at the hands of the local branch of the "Lakes to Gulf, Deep Waterways Association," as a request had been made that a delegate be appointed on behalf of the association to attend the next annual waterways convention to be held in New Orleans, Louisiana, October 27th to 30th.

### Newark.

The Newark Association of Credit Men held the first monthly fall meeting September 14th. Charles R. Burnett, chairman of the committee in charge of the annual banquet to be held November 15th, reported that tables for 500 diners will be set.

A discussion of the plan of having a weekly noon-day luncheon was had, and the question was referred to a committee to take up with the various members to ascertain how many members would join in the plan.

The Membership Committee reported that eighteen firms had been added to the rolls since the last meeting.

### Pittsburgh.

The regular weekly noon-day luncheon of the Pittsburgh Association of Credit Men held September 30th was an exceedingly interesting



and enthusiastic meeting. Over 100 members were present. J. A. A. Geidel, president of the Pittsburgh Hay & Grain Exchange, read a paper on "Credits and Risk in the Grain Business."

He cited the fact that a fraudulent failure in his line of business in Pittsburgh recently caught a good many of the exchange members, but not one of the members who hold membership in the Pittsburgh Association of Credit Men. He expressed the opinion that debtors contemplating fraud try to avoid doing business with members of the Credit Men's Association, fearing its prosecution bureau.

President Enoch Rauh announced the coming in November of the officers of the National Association, and further, that the November meeting is to be under the auspices of the executive board, assisted by the entertainment committee, who promise the guests a good time.

Mr. Rauh at the conclusion of his announcements declared that the Pittsburgh association, on account of its active work, is being recognized as one of the most influential bodies in Pittsburgh.

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At one of the September noon-day luncheons of the Pittsburgh Association of Credit Men a discussion took place regarding what is generally considered excessive fire insurance rates on Pittsburgh dwellings.

It was reported at the meeting that the Pittsburgh Board of Trade and the Public Defense Association had instituted inquiries on this subject and that the Chamber of Commerce had announced its intention of taking up the question.

The following resolution was finally adopted:

"WHEREAS, the fire insurance rates on dwelling houses in Pittsburgh are far in excess of those in New York, Philadelphia and other cities and

"WHEREAS, the losses by fire in this city and the risks assumed, as shown by comparative reports, do not justify such discrimination against the people of Pittsburgh, therefore be it

"Resolved, that the Pittsburgh Association of Credit Men indorses an investigation of the fire insurance rates on dwellings in Pittsburgh for the purpose of ascertaining what steps may be taken toward securing a reduction in said rates."

Several years ago the Pittsburgh association took an active part in the fight against a proposed increase in the fire insurances rates in Pittsburgh and the contemplated raise was not put into effect.

#### St. Louis.

The St. Louis Credit Men's Association opened its fall campaign with a large meeting at the Mercantile Club September 16th. President Norwine for the first time occupied the chair and called upon the various committees to make their reports.

J. A. Berninghaus, chairman of the membership committee, reported an excellent list of applications for membership.

The committee which had been at work on revision of the constitution and by-laws reported that their proposals would not be radical in nature, that one of the most important changes was to reorganize the committees so that they would correspond with the committees of the National Association.

Secretary Foote then presented the following resolutions, which were unanimously adopted:

"WHEREAS, A great many drafts drawn by commercial houses on their customers are returned unpaid, and

"WHEREAS, Country bankers are, as a rule, lax in ascertaining and reporting accurately, the cause for non-payment or return, and

"WHEREAS, Many country bankers apparently give indifferent attention to drafts sent for collection direct by mercantile houses, and

"WHEREAS, It is believed that the poor service is in part due to the methods employed by business houses and carelessness on the part of their accounting department, or to the method of notifying the customer, therefore be it

*"Resolved,* That the president of the St. Louis Credit Men's Association appoint a committee of three, whose duty it shall be to confer with local bankers, and with officers and members of the Missouri State Bankers' Association, as to the methods employed in the handling of drafts of mercantile houses, as to the expense involved, and to learn such other points as may have a bearing on the subject, and be it further

*"Resolved,* That the committee be authorized to send letters to banks in Missouri, Illinois and Arkansas with a view to securing a fair consensus of opinion on the part of bankers on the subject and enable said committee to determine what abuses, if any, are connected with this branch of the business in order that the committee may make recommendations to our association in hopes of securing the co-operation of our members and of the bankers in St. Louis territory, for the purpose of improving the service and eliminating as far as possible, the causes for poor service."

At the conclusion of the business session the Rev. W. C. Bitting delivered a forceful address on "Original Living."

The musical part of the program consisted of songs rendered by Miss Ethel Cone, a woman baritone well known locally.

#### St. Paul.

The St. Paul Credit Men's Association resumed its regular meetings September 14th by a largely attended and enthusiastic meeting at the Merchants' Hotel. The principal speakers were Edward Yanish, postmaster of St. Paul, and United States District Attorney C. C. Houpt, both of whom spoke on "Parcels Post."

Mr. Yanish said that he was not in favor of reducing the cost of fourth or parcels post matter from sixteen to twelve cents a pound and increasing the weight limit from four to eleven pounds, unless it is done gradually; that to admit suddenly such matter to a limit of eleven pounds at a reduced rate of twelve cents per pound would swamp the post office department. He declared that any change of this kind must come about by slow stages in order that the department might adjust itself to the immense expansion of business which is certain to come to it. However, Mr. Yanish said he did not wish to be understood as opposing the parcels post plan, for, on the contrary, he believed unqualifiedly in it because he felt it would work a great benefit to the people in making country life more attractive and thus check the ever increasing flow of population from suburban to urban centers.

Mr. Houpt said that while the parcels post question was scarcely in his line, he felt on general principles opposed to the government engaging in business enterprises and the express business he thought could best be left with the companies, the rates to be regulated by properly appointed authorities.

Talks on association matters followed, these members taking part: A. B. Driscoll, R. A. Durkee, President Eli Warner of the Commercial Club, President Huntoon, Vice-President Ward, and Secretary Parker, of the St. Paul Credit Men's Association.

### Seattle.

The Seattle Association of Credit Men held its first fall meeting September 20th, at the Seattle Commercial Club, with sixty-four members present. Reports regarding the Philadelphia convention by delegates, J. W. Spangler, E. G. Anderson, C. S. Wills and H. S. Gaunce were presented, and Seattle's part in the convention proceedings favorably commented upon.

C. S. Best, a recognized authority on the subject of fire insurance, gave a talk in which he urged upon credit men the necessity of keeping constantly after their customers to see that they adequately insure with companies of undoubted good credit and under policies whose various clauses they understand thoroughly. After his talk, Mr. Best was plied with many questions with the result that the field of insurance was pretty well covered.

### WANTS.

**POSITION IN BOSTON** or vicinity, as credit man or office manager. Has had 18 years' experience as bookkeeper, cashier and credit man with present company; highest references. Could make investment with old established business. Address, M. H. S., care Chas. E. Meek, 41 Park Row, New York, N. Y.

**POSITION AS CREDIT MAN** or office manager. Has had four years' experience with large clothing manufacturing concern as assistant credit man. Thirty-five years of age, single, of temperate habits and can give highest references as to character and ability. Address, J. M. V., care Chas. E. Meek, 41 Park Row, New York, N. Y.

**CREDIT AND COLLECTION MAN** who has also been assistant treasurer of one of the largest corporations in the country wishes to connect with some large company or corporation in similar capacity or as confidential and private secretary to an executive head. Can give highest references. New York City preferred, but would consider other propositions. Address, F. J., care of Chas. E. Meek, 41 Park Row, New York, N. Y.

**WANTED**—A position as office manager or credit man or both by a man 34 years of age, who has had a wide experience in accounting and credit department work. For the last twelve years has been with present employer and his ability has been recognized by a steady increase in salary. Reason for changing is that a new method of handling his territory, Texas, will make constant traveling necessary. Address, T. X. S., care of Chas. E. Meek, 41 Park Row, New York, N. Y.

**WANTED**—A bookkeeper with broad experience in taking charge of the book-keeping interests of large mercantile houses desires a position. Can give the best of references, one being from the public accountant who audited the books of his last employer. A location in Greater New York preferred. Address, B. K., care of Chas. E. Meek, 41 Park Row, New York, N. Y.

**A THOROUGHLY RELIABLE ACCOUNTANT** and general office man, having over 20 years experience with large manufacturing corporations, desires position as auditor, bookkeeper, credit man or office manager. Address, C. V. D., care of Chas. E. Meek, 41 Park Row, New York, N. Y.

**CREDIT MAN AND OFFICE MANAGER**, for 21 years connected with a large wholesale house, desires a similar position. Age 37. Capable and energetic. Best of references. Address E. H. W., care of Chas. E. Meek, 41 Park Row, New York, N. Y.

**A YOUNG MAN** thoroughly versed in paint, drug and chemical credits is open for an engagement. Has an excellent knowledge of accounting methods and is fully competent to take charge of accounting and credit department. Is now employed and can give satisfactory reasons for wishing to change. Exceptionable references will be furnished. Address F. F. R., care of Chas. E. Meek, 41 Park Row, New York, N. Y.

**WANTED**—Position as credit man or office manager. Have had 10 years' experience with large dry goods house doing business in West and South; 37 years of age, married, of strictly temperate habits, and can furnish highest references as to character and business ability. Address, W. S. B., care of Chas. E. Meek, 41 Park Row, New York, N. Y.

**CREDIT AND COLLECTION MAN AND OFFICE MANAGER** of 20 years' experience in hardware, implement, vehicle and saddlery lines in Missouri river and western markets, is open for engagement December 1st or before. He is thoroughly practical, with extended experience acquired with large and well organized concerns; of executive ability; capable of handling large interests; deliberate in judgment and able to analyze clearly; successful in directing travelers and field organization; has always shouldered responsibility; many years secretary of extensive jobbing house; experienced in handling accounts of large amounts and large numbers of small accounts; well informed on commercial law, handling of failures, and bankruptcy practice; particularly strong on correspondence, formulating accounting methods, and office systematizing. Is systematic, an endless follower of detail, full of energy, plenty of nerve, 40 years of age, married and well educated. His record is clear and is a successful one. Present salary three thousand annually: will change at same figure. References, present and past employers and prominent tradesmen. Wishes position where recognition of sterling worth and conscientious devotion to business by practical and high grade man will be appreciated. Address D. B. M., care of Chas. E. Meek, 41 Park Row, New York, N. Y.

**AN EXPERIENCED CREDIT MAN**, fifteen years with a large corporation, who also has had long experience as office manager and cashier, desires to make a new connection. Thoroughly familiar with the duties of the three positions. Capable of controlling all in moderate-sized business, would make change where increased responsibilities would be met with corresponding remuneration. Address M. S. B., care of Chas. E. Meek, 41 Park Row, New York, N. Y.

**EXPERIENCED ACCOUNTANT**, office manager, and credit man resigning position is looking for opening. Fourteen years' experience in handling, devising and installing factory cost and general accounting systems, auditing, systematizing, and office and general business management. Now in Buffalo, N. Y. Address, G. C. S., care of Chas. E. Meek, 41 Park Row, New York, N. Y.

**A MAN** who has had years of extensive experience in handling the credits and collections of a New York house (one of the largest in the country) is open for engagement. References the best. Address D. H. T., care Chas. E. Meek, 41 Park Row, New York, N. Y.

#### Directory of Officers of the Affiliated Branches of the National Association of Credit Men.

**ATLANTA, GA.**—The Credit Men's Association of Atlanta. President, Bolling H. Jones, Atlanta Stove Works; Secretary, E. L. Rhodes, Ernest L. Rhodes & Co.  
**BALTIMORE, MD.**—The Credit Men's Association of Baltimore. President, Geo. L. Irvin, Carlin & Fulton; Secretary, S. D. Buck, Maryland Bldg.  
**BIRMINGHAM, ALA.**—Birmingham Credit Men's Association. President, H. W. Coffin, Moore & Handley Hdw. Co.; Secretary, G. B. McVay, Amzi Godden Seed Co.; Assistant Secretary, R. H. Eggleston.  
**BOISE, IDAHO.**—The Boise Association of Credit Men, Ltd. President, J. G. H. Graveley, Capital Brokerage and Comm. Co.; Secretary, Charles P. McCarthy; Assistant Secretary, D. J. A. Dirks, 12-14 I. O. O. F. Temple.  
**BOSTON, MASS.**—Boston Credit Men's Association. President, William Q. Wales, Brown-Wales Co.; Secretary, 77 Summer St.  
**BUFFALO, N. Y.**—Buffalo Credit Men's Association. President, W. L. Fox, Buffalo Forge Co.; Secretary, Wilbur B. Grandison, 78 Erie County Bank Bldg.  
**BUTTE, MONT.**—Butte Association of Credit Men. President, Chas. E. Virden, Ryan & Newton Co.; Secretary, R. Frank Casey, Casey Candy Co.  
**CEDAR RAPIDS, IA.**—Cedar Rapids Association of Credit Men. President, W. H. Sutherland, Anchor Mills Co.; Secretary, Thos. B. Powell, 409 Security Bldg.

**CHARLESTON, W. VA.**—Charleston Association of Credit Men. President, J. F. Bedell, Hubbard-Bedell Grocery Co.; Secretary-Treasurer, Clark Howell, Capital City Supply Co.  
**CHICAGO, ILL.**—The Chicago Credit Men's Association. President, S. J. Whitlock, Belding Bros. & Co.; Secretary, O. A. Ipsen, 218 La Salle St.  
**CINCINNATI, O.**—The Cincinnati Credit Men's Association. President, Samuel Mayer, Isaac Faller's Sons Co.; Secretary, Henry Bentley, 614 Mercantile Library Bldg.  
**CLEVELAND, O.**—Cleveland Association of Credit Men. President, W. M. Pattison, W. M. Pattison Supply Co.; Secretary, Kenneth R. Taylor, 505 Chamber of Commerce Bldg.; Assistant Secretary, H. J. Bruehler, 505 Chamber of Commerce Bldg.  
**COLUMBUS, O.**—Columbus Credit Men's Association. President, H. E. Smith, Columbus Merchandise Co.; Secretary, Benson G. Watson, 601-605 The New First National Bank Bldg.  
**DALLAS, TEX.**—Dallas Association of Credit Men. President, H. S. Keating, Keating I. & M. Co.; Secretary, W. P. Peter, 904-906 Praetorian Bldg.  
**DECATUR, ILL.**—Decatur-Springfield Association of Credit Men. President, Wilber Humphrey, Morehouse & Wells Co.; Secretary, A. J. Murray, National Grocer Co., Decatur, Ill.



**DENVER, COLO.**—The Denver Credit Men's Association. President, Karl K. Mayer, Kuner Pickle Co.; Secretary, Donald Reid, C. S. Morey Merc. Co.; Assistant Secretary, H. A. C. Mathew, 407-408 Sugar Bldg.

**DES MOINES, IA.**—Des Moines Credit Men's Association. President, M. C. Palmer, Des Moines Saddlery Co.; Secretary, C. R. Cownie, Cownie Tanning Co.

**DETROIT, MICH.**—Detroit Credit Men's Association. President, Wade Millis, 812 Union Trust Building; Secretary, W. S. Campbell, 610 Moffat Bldg.

**DULUTH, MINN.**—The Jobbers' Credit Association. (Duluth-Superior). President, W. B. Cross, F. A. Patrick & Co.; Assistant Secretary, F. H. Green, 305 Burrows Bldg.

**EL PASO, TEX.**—El Paso Association of Credit Men. President, James A. Dick, The James A. Dick Co.; Secretary, H. E. Christie.

**FARGO, N. D.**—Fargo Association of Credit Men. President, Nelson A. Burdick, Hall-Robertson Hdw. Co.; Secretary, H. L. Loomis, N. Y. Mutual Saving & Loan Assn.

**FORT SMITH, ARK.**—Fort Smith Association of Credit Men. President, T. C. Davis, Reynolds, Davis & Co.; Secretary, Ben D. Kimpel, 606 Merchants National Bank Bldg.

**FORT WORTH, TEX.**—Fort Worth Association of Credit Men. President, Geo. W. Curtis, Burrus Mill & Elevator Co.; Secretary, George Q. McGown, Reynolds Bldg.

**GRAND RAPIDS, MICH.**—Grand Rapids Credit Men's Association. President, Chas. Holden, Holden & Hardy; Secretary, A. K. Tyson, Powers-Tyson Printing Co.

**HOUSTON, TEX.**—Houston Association of Credit Men. President, J. B. Adoue, Adoue-Blaine Hdw. Co.; Secretary, M. R. Robson, Schuhmacher, Grocery Co.

**INDIANAPOLIS, IND.**—Indianapolis Association of Credit Men. President, J. E. Stitz, A. Kiefer Drug Co.; Secretary, Frank H. Goheen, Hide, Leather & Belting Co.

**JACKSONVILLE, FLA.**—Jacksonville Credit Men's Association. President, R. V. Covington, Covington Co.; Secretary, J. C. Darby, W. A. Bowes & Co.

**KANSAS CITY, MO.**—Kansas City Association of Credit Men. President, A. E. Lombard, Corn Belt Bank; Secretary, Frank W. Yale, 315 Dwight Bldg.

**LEXINGTON, KY.**—Lexington Credit Men's Association. President, R. D. Norwood, Curry, Tunis & Norwood; Secretary, C. L. Williamson, McClelland Bldg.

**LINCOLN, NEB.**—Lincoln Credit Men's Association. President, E. A. Holbrook, H. P. Lau Co.; Secretary, E. G. Evans, Henkle & Joyce Hdw. Co.

**LITTLE ROCK, ARK.**—Little Rock Association of Credit Men. President, Max Mayer, Scott-Mayer Commission Co.; Secretary, Frank T. Longley, 219½ Main St.

**LOS ANGELES, CAL.**—Los Angeles Credit Men's Association. President, I. J. Levy, Standard Woodenware Co.; Secretary, W. C. Musket, 232 Bullard Bldg.

**LOUISVILLE, KY.**—Louisville Credit Men's Association. President, J. A. Matthews, Brinly-Hardy Co.; Secretary, Wm. F. Baumeister, U. S. Trust Co. Bldg.

**LYNCHBURG, VA.**—Lynchburg Credit Men's Association. President, Edward F. Shiefey, Craddock-Terry Co.; Secretary, J. M. Funkhouser, Smith-Briscoe Shoe Co.

**MEMPHIS, TENN.**—The Memphis Credit Men's Association. President, W. R. King, Wm. R. Moore D. G. Co.; Secretary, J. R. Paine, White-Wilson-Drew Co.

**MILWAUKEE, WIS.**—The Milwaukee Association of Credit Men. President, Harry L. Eisen, Landauer & Co.; Secretary, H. M. Battin, Standard Oil Co.

**MINNEAPOLIS, MINN.**—Minneapolis Credit Men's Association. President, D. W. Longfellow, Longfellow Bros. Co.; Secretary, M. C. Badger, Patterson & Stevenson Co.

**MONTGOMERY, ALA.**—Montgomery Association of Credit Men. President, F. G. Salter, Durr Drug Co.; Secretary, Wm. E. Pitts, Levy, Wolff & Pitts Shoe Co.

**NASHVILLE, TENN.**—Nashville Credit Men's Association. President, Harris Solinsky, Harris Solinsky & Co.; Secretary, George M. Thomas, 307 Stahlman Bldg.; Assistant Secretary, Charles H. Warwick.

**NEWARK, N. J.**—Newark Association of Credit Men. President, C. H. Sansom, C. B. Smith & Co.; Secretary, J. Fred Braun, J. J. Hockenjos Co.

**NEW ORLEANS, LA.**—New Orleans Credit Men's Association. President, George K. Smith, Simonds Mfg. Co., Ltd.; Secretary, T. J. Bartlette, Williams, Richardson & Co., Ltd.

**NEW YORK, N. Y.**—The New York Credit Men's Association. President, Howard Marshall, Joseph Wild & Co., 366 Fifth Ave.; Secretary, A. H. Alexander, 320 Broadway.

**NORFOLK, VA.**—Norfolk Association of Credit Men. President, H. G. Barbee, Harris-Woodson Co.; Secretary, C. L. Whichard, Whichard Brothers Co.

**OKLAHOMA CITY, OKLA.**—Oklahoma City Credit Men's Association. President, J. E. O'Neil, Richards & Conover Hdw. Co.; Secretary, A. R. Parker, Williamson-Halsell-Frasier Co.

**OMAHA, NEB.**—The Omaha Association of Credit Men. President, John Duff, Hayward Bros. Shoe Co.; Secretary, E. G. Jones, Credit Clearing House.

**PHILADELPHIA, PA.**—The Philadelphia Credit Men's Association. President, G. L. Levi, Sam'l Sternberger & Co.; Secretary, S. W. Severson, Room 801, 1011 Chestnut St.

**PITTSBURGH, PA.**—Pittsburgh Association of Credit Men. President, Enoch Rauh, Rauh Bros. & Co.; Secretary, A. C. Ellis, Renshaw Bldg.

**PORTLAND, ORE.**—Portland Association of Credit Men. President, L. L. Paget, Fleischner, Meyer & Co.; Secretary, L. B. Smith, Fleischner, Meyer & Co.

**PUEBLO, COLO.**—Pueblo Association of Credit Men. President, Thomas A. Duke, Henkel-Duke Mercantile Co.; Secretary, Wilbur F. Nelson, Nuckolls Packing Co.

**RICHMOND, VA.**—Richmond Credit Men's Association. President, Leon Walerstein, Southern Clothing Mfg. Co.; Secretary, Jo. Lane Stern, 1014 Main St.

**ROCHESTER, N. Y.**—The Rochester Credit Men's Association. President, Ira D. Kingsbury, L. Adler Bros. & Co.; Secretary, Edward Weter, Yawman & Erbe Mfg. Co.

**ST. JOSEPH, MO.**—St. Joseph Credit Men's Association. President, P. E. Parrott, Battreal-Whittinghall Shoe Co.; Secretary, Arthur Steinel, Johnston-Woodbury Hat Co.

**ST. LOUIS, MO.**—The St. Louis Credit Men's Association. President, F. E. Norwine, F. E. Norwine Coffee Company, 311 N. Second St.; Secretary, A. H. Foote, 809 Mercantile Bldg.

**ST. PAUL, MINN.**—St. Paul Credit Men's Association. President, Harry K. Huntoon, Minnesota Mercantile Co., Stillwater, Minn.; Secretary, H. W. Parker, Merchants' National Bank.

**SALT LAKE CITY, UTAH.**—The Utah Association of Credit Men. President, Arthur Parsons; Secretary, P. L. Doran, Symms Utah Grocer Co.; Assistant Secretary and Manager, Geo. E. Forrester, P. O. Box 886.

**SAN ANTONIO, TEX.**—San Antonio Association of Credit Men. President, Jake Wolff, J. Oppenheimer & Co.; Secretary, G. A. C. Half, A. B. Frank Co.

SAN DIEGO, CAL.—The Credit Association of San Diego. President, Jarvis L. Doyle, Doyle-Barnes Co.; Secretary, G. F. Hoff, 841 Fifth St.  
 SAN FRANCISCO, CAL.—San Francisco Credit Men's Association. President, Thos. M. Earl, Nolan-Earl Shoe Co.; Secretary, Ben Armer, 499 Monadnock Bldg.  
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 SEATTLE, WASH.—Seattle Association of Credit Men. President, J. W. Spangler, Dexter Horton & Co., Bankers; Secretary, H. S. Gaunce, The Hambach Company.  
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Spokane Drug Co.; Secretary, J. B. Campbell, 610 Empire State Bldg.  
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 WICHITA, KAN.—Wichita Credit Men's Association. President, F. W. George, Shattuck-George Iron Co.; Secretary, W. G. Graham, Bradstreet Agency.  
 YOUNGSTOWN, O.—Youngstown Credit Men's Association. President, S. C. Rogers, Youngstown Consolidated Gas & Electric Co.; Secretary, W. C. McKain, 607 Stambaugh Bldg.

## DIRECTORY OF ADJUSTMENT BUREAUS.

Bureaus for the adjustment of insolvent estates are operated in the following cities, and under the authority and supervision of their local Associations of Credit Men. All are affiliated branches of the National Association of Credit Men. Address all communications on Adjustment Bureau matters to the parties named:

BALTIMORE, MD.—S. D. Buck, Maryland Building.  
 BOISE, IDAHO—Chas. P. McCarthy, Room 1, Pioneer Building.  
 BOSTON, MASS.—Chas. L. Bird, 77 Summer Street.  
 BUFFALO, N. Y.—Wilbur B. Grandison, 78 Erie County Bank Building.  
 BUTTE, MONT.—Guy C. Davidson, Independent Telephone Building.  
 CEDAR RAPIDS, IOWA—C. B. Robbins, 409 Security Building.  
 CHICAGO, ILL.—M. C. Rasmussen, Mgr., 218 La Salle Street.  
 CINCINNATI, OHIO—Henry Bentley, 614 Mercantile Library Building.  
 CLEVELAND, OHIO—Frank B. Bicknell, 505 Chamber of Commerce Building.  
 COLUMBUS, OHIO—B. G. Watson, 601-605 The New First National Bank Bldg.  
 DALLAS, TEXAS—W. P. Peter, 214-218 Linz Building.  
 DENVER, COLO.—C. N. Kinney, 409 Sugar Building.  
 DES MOINES, IOWA—A. W. Brett, 708 Youngeman Building.  
 FORT SMITH, ARK.—Ben. D. Kimpel, 606 Merchants National Bank Building.  
 FORT WORTH, TEXAS—Geo. Q. McGown, Reynolds Building.  
 GRAND RAPIDS, MICH.—R. J. Cleland, 427 Houseman Building.  
 KANSAS CITY, MO.—Frank W. Yale, 315 Dwight Building.  
 LEXINGTON, KY.—C. L. Williamson, 726 McClelland Building.  
 LITTLE ROCK, ARK.—Frank T. Longley, 219½ Main Street.  
 LOS ANGELES, CAL.—F. C. De Lano, 600 Equitable Savings Bank Building.  
 LOUISVILLE, KY.—Wm. F. Baumeister, United States Trust Co. Building.  
 MEMPHIS, TENN.—Memphis Credit Men's Adjustment Bureau, Business Men's Club Building, 79-81 Monroe Avenue.  
 MILWAUKEE, WIS.—S. Fred. Wetzler, 500-501 Free Press Building.  
 MINNEAPOLIS, MINN.—J. P. Galbraith, 543 Gilfillan Block, St. Paul, Minn.  
 NEWARK, N. J.—Harry V. Osborne, 164 Market Street.  
 NEW ORLEANS, LA.—W. C. Lovejoy, 711-712 Canal, La. Bank Building.  
 OKLAHOMA CITY, OKLA.—George E. Black, 538 Bassett Building.  
 PHILADELPHIA, PA.—Edmund S. Mills, Room 801, 1011 Chestnut Street.  
 PITTSBURGH, PA.—A. C. Ellis, Renshaw Building.  
 PORTLAND, ORE.—R. L. Sabin, 1 Front Street.  
 PUEBLO, COLO.—George O. Gray, 501 Court Street.  
 RICHMOND, VA.—Jo. Lane Stern, 1014 Main Street.  
 ROCHESTER, N. Y.—(Manager not appointed.) 1008 Granite Building.  
 ST. JOSEPH, MO.—Sidney Beery, German-American Bank Building.  
 ST. LOUIS, MO.—A. H. Foote, 809 Mercantile Building.  
 ST. PAUL, MINN.—J. P. Galbraith, 543 Gilfillan Block.  
 SALT LAKE CITY, UTAH—Walter Wright, P. O. Box 419.  
 SAN DIEGO, CAL.—G. F. Hoff, 841 Fifth Street.  
 SAN FRANCISCO, CAL.—Ben Armer, 499 Monadnock Building.  
 SEATTLE, WASH.—I. H. Jennings, 802-805 Central Building.  
 SPOKANE, WASH.—J. B. Campbell, 610 Empire State Building.  
 TACOMA, WASH.—J. D. Benner, 400 Bank of California Building.  
 TOLEDO, OHIO—Lewis B. Hall, 1223 Ohio Building.  
 WICHITA, KAN.—Willis Davis, Southwestern Drug Co.  
 YOUNGSTOWN, OHIO—W. C. McKain, 607 Stambaugh Building.